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COMPANIES HOUSE

## United Molasses Group Limited

### Report and Financial Statements

31 July 2022

Registered No. NI605189

## United Molasses Group Limited

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### **Directors**

W B Barnett  
B N McDonnell  
C J Heron  
J B Macer  
S B E Vella  
B D Potter

### **Secretary**

J Brown

### **Auditor**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast BT2 7DT

### **Bankers**

Barclays Bank Plc  
6th Floor Donegall House  
Belfast BT1 5GB

Rabobank Ireland Plc  
76 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **Solicitors**

Trethowans  
London Road Office Park  
London Road  
Salisbury  
Wiltshire SP1 3HP

### **Registered Office**

Clarendon House  
23 Clarendon Road  
Belfast BT1 3BG

### **Registered No.**

NI605189

## Strategic Report

The directors present their Strategic Report and the financial statements for the year ended 31 July 2022.

### Principal activity and review of the business

United Molasses Group Limited is the parent company of a group of businesses focused on the global trading and marketing of molasses and related products and the storage of bulk liquids. Founded in 1911 and first registered in 1926 as United Molasses, the group has successfully grown in multiple business sectors through the building of effective long-term working partnerships.

The group has four key areas of activity: international trading of molasses and co-products; local sales and distribution of molasses and co-products; procurement and marketing of vegetable oils for use in the animal feed sectors in the UK; and provision of bulk liquid storage facilities to third party customers.

United Molasses Trading Limited is responsible for the procurement of raw ingredients for sale to in-house and third-party customers. The trading desk is based in our London office and is also responsible for the effective management of the company's freight requirements. United Molasses Trading is a leading player in the international trading of molasses and related co-products in Europe, Asia and the Americas for use in the animal feed, fermentation and industrial sectors.

United Molasses Marketing Limited is the holding company for our wholly owned and joint venture companies which are responsible for local sales and distribution activities in Europe and Asia, together with our provision of bulk liquid storage facilities in Germany, with United Molasses Marketing (Ireland) being an intermediate holding company for the group's subsidiaries within the European Union. United Molasses Marketing Limited is the leading marketer and distributor of molasses and related liquids in Europe and Asia, operating in over 12 countries. It focuses on meeting our customers' needs with a range of innovative molasses based liquid solutions and by providing the highest level of customer and technical support.

United Molasses GB Limited is responsible for sales and distribution of molasses within Great Britain.

UM Storage Limited owns all of our storage assets in Great Britain. It is a niche supplier of bulk liquid storage facilities to the food, industrial, feed and energy sectors in the UK with approximately 300,000 cubic meters of storage assets located in Liverpool, Hull and Portbury.

Advanced Liquid Feeds Limited is the UK's market leader in blended feed fats, supplying the highest quality products to both the ruminant and mono-gastric animal feed sector. The company has its own dedicated storage facilities in Hull and is Femas accredited.

During the year it was decided to convert the business of the group's German subsidiary Hansa NFC GmbH from vegetable oil marketing to bulk liquid storage and this conversion is in progress at the date of approval of these financial statements. After the year-end it was also decided that Advanced Liquid Feeds Limited would sell its stock and trade to a third party. As a result of these two decisions the group will cease its vegetable oil marketing activities.

## Strategic Report

### Financial performance

The directors have determined that the following financial key performance indicators (KPIs) are the most effective measures of progress towards achieving the group's objectives.

	2022	2021
	£000	£000
Turnover	282,490	254,290
Gross profit	53,983	52,142
Profit before taxation	19,913	19,198

The group reported a higher turnover than the prior year due to increases in both selling prices and traded volumes. These also contributed to a higher gross profit, however higher commodity costs also led to an increase in cost of sales. The rises in inflation seen over the prior year along with higher utility costs contributed to an increase in costs, and interest rate rises led to an increase in interest charges, however the group was still able to deliver a higher profit before tax than the prior year.

### Principal risks and uncertainties

The group's strategy is to follow an approved risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

#### Business performance risk

Business performance risk is the risk that the group may not perform as expected either due to internal factors or due to competitive pressures in the markets in which it operates. This risk is managed through a number of measures: authorisation of purchases; pre-approved trading limits; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls and key performance indicators.

#### Maintaining standards of care and health and safety risk

The group is committed to ensuring a safe working environment. These risks are managed by the group through the promotion of a health and safety culture and health and safety controls, procedures and policies.

#### Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for longer term planning. The group exercises financial and business control through a combination of: qualified and experienced financial personnel; performance analysis; budgeting and cash flow control; and clearly defined approval limits.

#### Financial instrument risks

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

The group's principal financial instruments comprise cash, trade debtors and creditors, loans and certain other debtors and creditors. The main risks associated with these financial assets and liabilities are set out below.

#### Currency risk

The group uses exchange rate hedges to manage all foreign exchange exposures. Hedges are taken as soon as a foreign currency trade is contracted.

## Strategic Report

### Principal risks and uncertainties (continued)

#### Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for that other party by failing to discharge an obligation. Group policies are structured to mitigate such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the group's debtors are shown in note 12 to the financial statements.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group's liquidity risk is managed through regular monitoring and forecasting of cash generated from operations, required cash levels and the utilisation of available bank facilities. The group also manages liquidity risk via the use of letters of credit wherever reasonably possible.

#### Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The group manages this risk, where significant, by use of derivatives.

#### Market price risk

Due to the nature of its principal activity the group is exposed to movements in market prices of local and world markets of a number of agricultural commodities. The group seeks to mitigate this risk through the policy of entering into forward fixed price purchase contracts for such raw materials.

#### Interest rate risk

The group is exposed to interest rate risk on its floating rate borrowings. This risk is partially mitigated through the use of interest rate swaps.

## Strategic Report

### Section 172 statement

The directors of United Molasses Group Limited acknowledges their responsibility under section 172(1) of the Companies Act 2006 and below set out the key processes and considerations that demonstrate how they promote the success of the group. The below statement sets out the requirements of the Companies Act 2006, section 172(1), and notes how the directors discharge their duties.

#### a) The likely consequences of any decision in the long term

The directors receive a monthly report on the performance of the group and meet regularly to review in detail the performance of the business and to evaluate the future direction of the business, the group's longer-term strategy and any potential business opportunities and/or threats.

Each subsidiary company prepares an annual budget for approval by the board and these are reviewed by the directors in detail and in the context of the longer-term strategic plan for the group.

The group took out interest rate swaps during the year to hedge the interest on its term loans to 30 July 2026. This was approved by the board and will give the group certainty over the interest charges on its term loans throughout that period.

During the year it was decided to convert the business of the group's German subsidiary Hansa NFC GmbH from vegetable oil marketing to bulk liquid storage and this conversion is in progress at the date of approval of these financial statements. This was approved by the board and will result in improved returns from this business.

#### b) The interests of the company's employees

The directors place the health, safety and wellbeing of employees at the forefront of their approach and encourage employee engagement in this process. Health and safety is a key agenda item at every board meeting, and training needs of all employees are reviewed regularly with employees being encouraged to attend relevant training sessions which will benefit their development. Employees also have access to confidential helplines for any wellbeing or mental health issues they may need help with.

The chief executive officer holds regular meetings with employees of each area of the business, to present the results along with the key areas of business focus. Employees can also ask any questions directly at these meetings. In addition, members of the board and senior management will visit all the group's overseas subsidiaries on a regular basis to maintain regular communication with all employees of the group.

The group has operated under key worker status throughout the Covid-19 crisis. Its storage terminals have been inspected and classed as Covid secure by the Health & Safety Executive and the business has used its flexible contracts to apply split shift working, which has also built resilience into the operational team.

#### c) The need to foster the company's business relationship with customers, suppliers and others

The group, over its long history, has successfully grown in multiple business sectors through the building of effective long-term working partnerships at both local and global levels throughout the world. The directors recognise the importance of these relationships and ensures that the group takes steps to strengthen them through regular engagement.

#### d) The impact of the company's operations on the community and environment

The group's employees are encouraged to play an active role in their local community. There are several charity matching initiatives to support and encourage the fundraising and volunteering efforts of all employees through a group charity support scheme.

The group is committed to the responsible sourcing of products to the highest standards and in compliance with the laws and regulations of the countries in which it operates. The group therefore maintains several internationally recognised certifications, which demonstrate the quality and safety of its products. As well as the safety aspect of our products, the group is also committed to growing the quantity of the sustainable and organic products that it supplies.

## Strategic Report

### Section 172 statement (continued)

**e) The desirability of the company maintaining a reputation for high standards of business conduct**

The group requires all directors and employees to maintain high standards of behaviour, integrity and conduct whether dealing with employees, customers, suppliers, or other stakeholders.

Ongoing personal development is encouraged to ensure future compliance.

**f) The need to act fairly between members of the company**

The company itself is a fully owned subsidiary and the shareholders are represented on the board of the company, allowing them to participate in all principal decisions, including approval of dividends.

No dividend was approved in the year, but on 28 November 2022 a dividend of £11,650,000 was approved by the directors.

Certain of the company's subsidiaries have minority shareholders and regular meetings are held between majority and minority shareholders of these companies. These meetings include reviews of current business performance, reviews of future strategic direction and approval of dividends.

During the year, dividends of £8,000 were approved by the directors and the minority shareholders of certain subsidiaries of United Molasses Group Limited and paid by the relevant subsidiary companies to the minority shareholders.

On behalf of the Board



C J Heron  
28 November 2022

Registered No. NI605189

## Directors' Report

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

### Results and dividends

The group profit for the year after taxation amounted to £15,535,000 (2021 – profit of £15,079,000). The directors recommend a final dividend of £11,650,000 (2021 – £11,300,000).

### Going concern

The group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. In assessing the appropriateness of the going concern basis of accounting, the directors have prepared cash flows for the group to 31 December 2023.

Based on the 2022 consolidated results of United Molasses Group Limited, the external debt facilities and the cash flow projections to 31 December 2023, the directors are satisfied that United Molasses Group Limited has sufficient cash and borrowing facilities to meet the future needs of the group with sufficient headroom to fund any additional cash requirements under reasonably possible sensitivities and that the group is well placed to manage its business risks successfully despite the current increased economic uncertainty, including higher inflation and increased volatility in commodity prices. In particular, the directors of United Molasses Group Limited have considered the financial performance and cash flows of the group which indicate they expect to continue to be cash generative and meet its obligations as they fall due for the period to 31 December 2023.

On the basis of their assessment of the group's financial position the directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Financial instruments

The disclosure of financial instrument risks and policies have been included in the Strategic Report in accordance with section 414(c) (11) of the Companies Act 2006 as the directors consider that this information is of strategic importance.

### Directors

The directors who served the company during the year were as follows:

W B Barnett  
B N McDonnell  
C J Heron  
J B Macer  
S B E Vella  
B D Potter

### Energy and carbon report

The consolidated financial statements of the group's ultimate parent undertaking include the consolidated energy and carbon report for the W&R Barnett Holdings Limited group.

### Disclosure of information to the auditor

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



## Directors' Report

### Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

### Post balance sheet events

On 23 November 2022 the company's subsidiary Advanced Liquid Feeds Limited entered into an agreement to sell its stock and trade to a third party at their market value on the date of completion. An estimate of the financial effect of this transaction cannot be made as at the date of approval of these financial statements because this market value cannot be determined until after the completion date.

On 28 November 2022 the group declared a final dividend of £2.33 per share.

On behalf of the Board



J B Macer  
28 November 2022

## Directors' Responsibilities Statement

The directors are responsible for preparing the annual 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) including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures where compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 United Molasses Group Limited

## Opinion

We have audited the financial statements of United Molasses Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Group Profit and Loss Account, the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Changes in Equity, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Cash Flows and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 group's and of the parent company's affairs as at 31 July 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 December 2023.

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

# Independent auditor's report

to the members of United Molasses Group Limited

## Other information

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

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

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

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

As explained more fully in the directors' responsibilities statement set out on page 9, 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 United Molasses Group Limited

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard, applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, data protection, anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through a review of the following documentation and performance of the following procedures;
  - Obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with these policies is monitored and enforced;
  - Obtaining an understanding of management's processes for identifying and responding to fraud risks, including programs and controls established to address such risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those controls;
  - Review of board meeting minutes in the year and to the signing date.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk. Our testing of revenue included agreeing a sample of transactions to supporting invoices, delivery documents and the receipt of payment in bank statements, and the testing of certain revenue journals. We also performed cut-off testing and detailed analytical reviews of sales.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries with a focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance and read the minutes of directors' meetings to identify any non-compliance with laws and regulations.

## Independent auditor's report

to the members of United Molasses Group Limited

### Auditor's responsibilities for the audit of the financial statements (continued)

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

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

### Use of our report

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



Michael Kidd (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

2 December 2022

## Group Profit and Loss Account

for the year ended 31 July 2022

	2022	2021
<i>Notes</i>	<i>£000</i>	<i>£000</i>
<b>Group turnover</b>	282,490	254,290
Cost of sales	<u>(228,507)</u>	<u>(202,148)</u>
<b>Gross profit</b>	53,983	52,142
Administrative expenses	(16,849)	(14,487)
Operating expenses	(17,220)	(18,344)
Operating income	<u>773</u>	<u>86</u>
<b>Group operating profit</b>	20,687	19,397
Share of loss in joint ventures	<u>—</u>	<u>—</u>
<b>Total operating profit: group and share of joint ventures</b>	20,687	19,397
Interest receivable and similar income	287	462
Interest payable and similar charges	<u>(1,061)</u>	<u>(661)</u>
<b>Profit before tax</b>	19,913	19,198
Tax charge	<u>(4,378)</u>	<u>(4,119)</u>
<b>Profit for the financial year</b>	15,535	15,079
Non-controlling interests	<u>(64)</u>	<u>(643)</u>
<b>Profit for the financial year attributable to members of the parent undertaking</b>	<u>15,471</u>	<u>14,436</u>

All amounts relate to continuing activities.

## Group and Company Statement of Comprehensive Income

for the year ended 31 July 2022

### Group Statement of Comprehensive Income

	2022 £000	2021 £000
Profit for the financial year	15,535	15,079
Gain on derivative financial instruments	1,796	128
Transferred (loss)/gain from equity to profit and loss on cash flow hedges	(137)	520
Deferred tax effect	<u>(407)</u>	<u>(131)</u>
	1,252	517
Exchange difference on retranslation of net assets of foreign operations and subsidiaries	1,261	(2,395)
Exchange difference on retranslation of profit and loss account from average rate to closing rate	(99)	(75)
Exchange difference on borrowings hedged against foreign operations and subsidiaries	<u>332</u>	<u>1,432</u>
	<u>1,494</u>	<u>(1,038)</u>
<b>Total other comprehensive income/(expense)</b>	<b>2,746</b>	<b>(521)</b>
<b>Total comprehensive income for the year</b>	<b><u>18,281</u></b>	<b><u>14,558</u></b>
<b>Total comprehensive income for the year attributable to:</b>		
Non-controlling interests	33	570
Members of the parent undertaking	<u>18,248</u>	<u>13,988</u>
<b>Total comprehensive income for the year</b>	<b><u>18,281</u></b>	<b><u>14,558</u></b>

### Company Statement of Comprehensive Income

	2022 £000	2021 £000
Profit for the financial year	10,315	5,504
Exchange difference on retranslation of net assets of foreign operations and subsidiaries	27	(808)
Exchange difference on borrowings hedged against foreign operations and subsidiaries	<u>332</u>	<u>1,432</u>
	359	624
Transferred gain from equity to profit and loss on cash flow hedges	7	14
Loss on derivative financial instruments	929	(7)
Deferred tax effect	<u>(234)</u>	<u>(1)</u>
	<u>702</u>	<u>6</u>
<b>Total other comprehensive income</b>	<b><u>1,061</u></b>	<b><u>630</u></b>
<b>Total comprehensive income for the year</b>	<b><u>11,376</u></b>	<b><u>6,134</u></b>



## Group and Company Statement of Changes in Equity

for the year ended 31 July 2022

<i>Group</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Hedging reserve £000</i>	<i>Share-holders' equity £000</i>	<i>Non-controlling interests £000</i>	<i>Total share-holders' funds £000</i>
At 1 August 2020	5,000	56,659	(410)	61,249	7,391	68,640
Profit for the year	-	14,436	-	14,436	643	15,079
Other comprehensive income/(expense)	-	(965)	517	(448)	(73)	(521)
Total comprehensive income	-	13,471	517	13,988	570	14,558
Dividends paid	-	-	-	-	(448)	(448)
Acquisition of a subsidiary	-	(10,860)	-	(10,860)	(7,259)	(18,119)
At 31 July 2021	5,000	59,270	107	64,377	254	64,631
Profit for the year	-	15,471	-	15,471	64	15,535
Other comprehensive income/(expense)	-	1,525	1,252	2,777	(31)	2,746
Total comprehensive income	-	16,996	1,252	18,248	33	18,281
Dividends paid	-	(11,300)	-	(11,300)	(8)	(11,308)
At 31 July 2022	5,000	64,966	1,359	71,325	279	71,604

  

<i>Company</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Hedging reserve £000</i>	<i>Total share-holders' funds £000</i>
At 1 August 2020	5,000	29,714	(11)	34,703
Profit for the year	-	5,504	-	5,504
Other comprehensive income	-	624	6	630
Total comprehensive income	-	6,128	6	6,134
Dividends paid	-	-	-	-
At 31 July 2021	5,000	35,842	(5)	40,837
Profit for the year	-	10,315	-	10,315
Other comprehensive income	-	359	702	1,061
Total comprehensive income	-	10,674	702	11,376
Dividends paid	-	(11,300)	-	(11,300)
At 31 July 2022	5,000	35,216	697	40,913

United Molasses Group Limited

**Group Balance Sheet**

Registered No. NI605189

at 31 July 2022

	Notes	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	8	20	94
Tangible assets	9	<u>33,342</u>	<u>31,561</u>
		<u>33,362</u>	<u>31,655</u>
<b>Current assets</b>			
Stocks	11	41,136	36,248
Debtors: amounts falling due within one year	12	42,023	38,338
Cash at bank and in hand	13	<u>18,526</u>	<u>13,041</u>
		101,685	87,627
<b>Creditors: amounts falling due within one year</b>	14	<u>(20,282)</u>	<u>(23,210)</u>
<b>Net current assets</b>		<u>81,403</u>	<u>64,417</u>
<b>Total assets less current liabilities</b>		114,765	96,072
<b>Creditors: amounts falling due after more than one year</b>	15	(39,625)	(29,979)
<b>Provisions for liabilities</b>			
Deferred taxation	7(c)	<u>(3,536)</u>	<u>(1,462)</u>
<b>Net assets</b>		<u>71,604</u>	<u>64,631</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,000	5,000
Profit and loss account		64,966	59,270
Hedging reserve		<u>1,359</u>	<u>107</u>
<b>Shareholders' funds attributable to owners of the parent undertaking</b>		<u>71,325</u>	<u>64,377</u>
Non-controlling interests		<u>279</u>	<u>254</u>
<b>Shareholders' funds</b>		<u>71,604</u>	<u>64,631</u>

The financial statements were approved and authorised for issue by the board on 28 November 2022 and were signed on its behalf by:



C J Heron  
Director



J B Macer  
Director

**Company Balance Sheet**

Registered No. NI605189

at 31 July 2022

	<i>Notes</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<b>Fixed assets</b>			
Tangible assets	9	281	300
Investments	10	<u>23,353</u>	<u>27,462</u>
		<u>23,634</u>	<u>27,762</u>
<b>Current assets</b>			
<b>Debtors:</b>			
- amounts falling due within one year	12	5,858	7,901
- amounts falling due after more than one year	12	30,408	26,258
Cash at bank and in hand	13	<u>11,436</u>	<u>3,375</u>
		47,702	37,534
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,364)</u>	<u>(7,054)</u>
<b>Net current assets</b>		<u>36,338</u>	<u>30,480</u>
<b>Total assets less current liabilities</b>		59,972	58,242
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(19,059)</u>	<u>(17,405)</u>
<b>Net assets</b>		<u>40,913</u>	<u>40,837</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,000	5,000
Profit and loss account		35,216	35,842
Hedging reserve		<u>697</u>	<u>(5)</u>
<b>Shareholders' funds</b>		<u>40,913</u>	<u>40,837</u>

**Profit attributable for members of parent undertaking**

A separate Profit and Loss Account for the parent undertaking has not been presented as permitted by Section 408 (4) of the Companies Act 2006. The profit dealt with in the financial statements of the parent undertaking is £10,315,000 (2021 – profit of £5,504,000).

The financial statements were approved and authorised for issue by the board on 28 November 2022 and were signed on its behalf by:



C J Heron  
Director



J B Macer  
Director

## Group Statement of Cash Flows

for the year ended 31 July 2022

	2022	2021
<i>Notes</i>	<i>£000</i>	<i>£000</i>
<b>Net cash inflow from operating activities</b>	19(a) 19,956	6,719
<b>Returns on investments and servicing of finance</b>		
Interest received	246	403
Interest paid	(989)	(675)
Dividends paid to minority interests	(8)	(448)
Dividends paid to parent	(11,300)	–
	<u>(12,051)</u>	<u>(720)</u>
<b>Taxation</b>		
UK tax refunds received	–	–
Tax paid	(3,738)	(3,161)
	<u>(3,738)</u>	<u>(3,161)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(4,719)	(2,837)
Receipts from sale of tangible fixed assets	101	62
	<u>(4,618)</u>	<u>(2,775)</u>
<b>Acquisitions and disposals</b>		
Investment in subsidiary	–	(18,119)
Receipts from/(loan) to joint venture	(745)	1,838
<b>Net cash outflow before financing</b>	(1,196)	(16,218)
<b>Financing</b>		
Repayment of loans	(8,625)	(12,685)
Drawdown of loans	15,080	20,345
<b>Increase/(decrease) in cash</b>	<u>5,259</u>	<u>(8,558)</u>
<b>Reconciliation of net cash flow to movement in cash and cash equivalents</b>		
	<i>Note</i>	<i>2022</i>
		<i>2021</i>
		<i>£000</i>
		<i>£000</i>
Increase/(decrease) in cash		5,259
Foreign exchange movement on cash and cash equivalents		(8,558)
		<u>282</u>
<b>Movement in cash and cash equivalents</b>		480
<b>Cash and cash equivalents at 1 August</b>		5,541
		(8,078)
<b>Cash and cash equivalents at 31 July</b>		<u>9,627</u>
	19(b)	<u>17,705</u>
		<u>15,168</u>
		<u>9,627</u>

## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies

#### Basis of preparation

United Molasses Group Limited is a private company limited by shares incorporated in Northern Ireland. The company's principal place of business is 52-54 Gracechurch Street, London EC3V 0EH.

The group's financial statements have been prepared under the historic cost convention, except for fair value of derivatives, in accordance with United Kingdom Generally Accepted Accounting Practices, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and applied in accordance with the provisions of the Companies Act 2006 as it applied to the financial statements of the group and company for the years ended 31 July 2022 and 31 July 2021.

The financial statements are presented in Sterling (£) with all values rounded to the nearest £1,000 except where otherwise indicated.

#### Going concern

The group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. In assessing the appropriateness of the going concern basis of accounting, the directors have prepared cash flows for the group to 31 December 2023.

Based on the 2022 consolidated results of United Molasses Group Limited, the external debt facilities and the cash flow projections to 31 December 2023, the directors are satisfied that United Molasses Group Limited has sufficient cash and borrowing facilities to meet the future needs of the group with sufficient headroom to fund any additional cash requirements under reasonably possible sensitivities and that the group is well placed to manage its business risks successfully despite the current increased economic uncertainty, including higher inflation and increased volatility in commodity prices. In particular, the directors of United Molasses Group Limited have considered the financial performance and cash flows of the group which indicate they expect to continue to be cash generative and meet its obligations as they fall due for the period to 31 December 2023.

On the basis of their assessment of the group's financial position the directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Group financial statements

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2022. No profit and loss account is presented for United Molasses Group Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

In the parent undertaking financial statements investments in subsidiaries are accounted for at cost less impairment.

#### Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from the estimates. The following estimates have had the most significant effect on amounts in the financial statements.

## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies (continued)

#### Key sources of estimation uncertainty (continued)

##### *Trade and other debtors provisioning*

Management review trade debtors for recoverability and bad debts at each reporting date. The assessment includes review of evidence that a customer is in financial difficulty; or observable data indicating there is a likelihood that there are changes in a customer's ability to pay or fulfil their contract based on significant change with an adverse effect in the market, economic or legal environment they operate in. If indicated a provision for doubtful debts is recognised at the reporting date.

##### *Goodwill*

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Goodwill is being amortised evenly over its useful life at 5 years, based on the expected return of the investment.

##### *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

##### *Taxation*

The group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planned.

#### Significant account policies

##### *Goodwill and intangible assets*

Intangible assets acquired separately from a business (provided their fair value can be measured reliably and have a readily ascertainable market value) and goodwill arising on acquisitions are capitalised at cost and amortised on a straight-line basis over their estimated useful lives up to a maximum of 20 years. Goodwill is being amortised evenly over its presumed useful economic life of 5 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

The group has estimated the useful life of goodwill and intangible assets arising on business combinations to be 5 years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies (continued)

#### *Investments*

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Land and buildings	– 20 years
Fixtures and fittings	– 4 years
Plant and equipment	– 4 years
Installations	– 20 years

Land and buildings includes both leasehold and owned property by the group and company. Installations include mainly tanks.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Revenue recognition*

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, according to the relevant Incoterms, usually on dispatch of the goods.

Revenue for storage services is recognised as the storage services are provided.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised.
- provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries and joint ventures, except where:
  - (a) the group is able to control the reversal of the timing difference; and
  - (b) it is probable that the timing difference will not reverse in the foreseeable future.
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies (continued)

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Foreign currencies*

Foreign currency transactions are translated into the local currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the profit and loss account.

On consolidation, the assets and liabilities of the group's foreign enterprises and branches are translated into Sterling at the rate of exchange ruling at the balance sheet date and their profit and loss financial statements are translated at the average rates of exchange for the year. Exchange differences arising on the retranslation of opening net assets and on the retranslation of the profit and loss account to the closing rate are recognised in the statement of comprehensive income. In the parent undertaking's financial statements exchange differences arising on the retranslation of long-term loans to subsidiaries with foreign operations are recognised in the statement of comprehensive income.

Exchange differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against equity investments or long-term loans in foreign enterprises and the assets and liabilities of foreign branches, are recognised in the statement of comprehensive income.

All other translation differences are taken to the profit and loss account.

#### *Financial instruments*

##### *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account within other operating expenses.

Prepaid amounts and commitments are assessed for impairment when there are indicators that amounts may not be recoverable.

##### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### *Interest bearing loans and borrowings*

All loans and borrowings are initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. After initial recognition, debt is measured at amortised cost using the effective interest method.

##### *Derivative financial instruments*

The group uses forward foreign currency contracts to reduce exposure to foreign exchange rate movements and interest rate swaps to adjust interest rate exposures.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss, unless subject to hedge accounting. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of both forward currency contracts and interest rate swaps is calculated by reference to quoted prices.



## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies (continued)

#### *Financial instruments (continued)*

#### *Derivative financial instruments (continued)*

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flows hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation included identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Hedges that meet the strict criteria for cash flow hedge financial statements are accounting for, as described below:

#### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the profit and loss statement in operating expenses.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency is recognised in operating costs.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects the profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

#### *Hedges of a net investment*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounting for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised as the profit and loss account. The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investment in foreign subsidiaries.

## Notes to the Financial Statements

at 31 July 2022

### 1. Accounting policies (continued)

#### *Leasing commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

#### *Pensions*

The group operates a number of defined contribution schemes, with contributions recognised in the profit and loss account in the year in which they become payable.

#### *Dividends receivable*

Dividend income is recognised when the right to receive payment is established.

#### *Dividends payable*

Dividends payable are recognised when the dividend is declared.

### 2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

Turnover is analysed as follows:

	2022 £000	2021 £000
Sales of products	272,691	242,382
Sales of services	9,799	11,908
	<u>282,490</u>	<u>254,290</u>

All turnover is attributable to continuing operations. The analysis of turnover, profit before taxation and net profit by class of business and by geographical market have not been given as the directors considered that this would be seriously prejudicial to the group's interests.

### 3. Operating profit

This is stated after charging/(crediting):

	2022 £000	2021 £000
Auditors' remuneration for the audit of the company's financial statements	89	89
Auditors' remuneration for tax compliance services	52	28
Auditors' remuneration for tax advisory services	-	-
Depreciation of owned fixed assets	2,627	2,802
Amortisation of goodwill	68	103
Impairment loss on fixed assets	-	884
Foreign exchange differences	326	396
Gain on disposal of fixed assets	(10)	(8)
Operating lease rentals		
- land and buildings	2,224	2,171
- other	279	237

## Notes to the Financial Statements

at 31 July 2022

### 4. Directors' remuneration

The total amount of directors' remuneration and other benefits in respect of services performed by the directors in respect of the group were as follows:

	2022	2021
	£000	£000
Remuneration	575	651
Company pension contributions to defined contribution schemes	51	48
	<u>No.</u>	<u>No.</u>
Number of directors accruing benefits under defined contribution schemes	<u>3</u>	<u>3</u>

Certain of the directors are remunerated by the ultimate parent undertaking. The amount of that remuneration which relates to services to the group is considered as negligible.

### 5. Staff costs

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	9,468	10,439	783	960
Social security costs	1,620	1,658	118	138
Other pension costs (relating to a defined contribution scheme)	748	805	109	80
	<u>11,836</u>	<u>12,902</u>	<u>1,010</u>	<u>1,178</u>

The average monthly number of employees during the year was made up as follows:

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
Operations	98	107	-	-
Sales and administration	103	100	11	12
	<u>201</u>	<u>207</u>	<u>11</u>	<u>12</u>

### 6. Interest payable and similar charges

	2022	2021
	£000	£000
Exchange difference on net foreign currency borrowings	332	1,432
Less charged to the statement of comprehensive income	(332)	(1,432)
	-	-
Bank interest and charges	1,061	661
Total interest payable related to financial liabilities at amortised cost	<u>1,061</u>	<u>661</u>

## Notes to the Financial Statements

at 31 July 2022

### 7. Tax charge

(a) Tax on profits

The tax charge is made up as follows:

	2022	2021
	£000	£000
<b>Current tax:</b>		
UK corporation tax on the profit for the year	558	1,597
Foreign tax	2,469	1,842
Adjustments in respect of prior years	(294)	82
Total current tax charge	2,733	3,521
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,492	478
Origination and reversal of timing differences – prior year	153	5
Effect of changes in tax rates and laws	–	115
Total deferred tax charge	1,645	598
Tax charge on profit	4,378	4,119
<b>Amounts recognised in other comprehensive income:</b>		
	2022	2021
	£000	£000
Deferred tax current year	407	131
	407	131

## Notes to the Financial Statements

at 31 July 2022

### 7. Tax charge (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	19,913	19,198
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	3,783	3,648
<i>Effects of:</i>		
Expenses not deductible for tax purposes	117	65
Unremitted earnings of subsidiaries	266	(68)
Losses utilised on which no DTA previously recognised	–	161
Irrecoverable overseas tax paid	–	(16)
Movement in unrecognised deferred tax	303	1
Other	(168)	99
Profit taxed at different rates	(22)	(45)
Impact of change in deferred tax rate	–	115
Adjustments in respect of previous years	(141)	87
Difference in CT and DT rates	240	72
Total tax charge for the year	<u>4,378</u>	<u>4,119</u>

(c) Deferred tax liability

	<i>Group</i>		<i>Company</i>	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 August	1,422	731	(32)	(35)
Movements in year (note 7(a))	1,645	598	15	2
Deferred tax in other comprehensive income	407	131	234	1
Foreign exchange on opening overseas balances	(19)	(38)	–	–
At 31 July	<u>3,455</u>	<u>1,422</u>	<u>217</u>	<u>(32)</u>

The financial statements include £81,000 of deferred tax in current debtors note 12

	<i>Group</i>		<i>Company</i>	
	2022 £000	2021 £000	2022 £000	2021 £000
Accelerated capital allowances	2,381	1,202	(2)	(13)
Short term timing differences	767	191	(13)	(17)
Derivative financial instruments	307	29	232	(2)
	<u>3,455</u>	<u>1,422</u>	<u>217</u>	<u>(32)</u>

## Notes to the Financial Statements

at 31 July 2022

### 7. Tax charge (continued)

(d) Factors that may affect future tax charges

On 3 March 2021, HM Treasury announced that the rate of corporation tax will increase to 25% for companies with effect from 1 April 2023. This rate change was substantially enacted in May 2021 and therefore the 25% rate has been used in calculating deferred tax at the balance sheet date.

### 8. Intangible fixed assets

<i>Group</i>	<i>Purchased goodwill £000</i>	<i>Goodwill arising on acquisitions £000</i>	<i>Total £000</i>
Cost:			
At 1 August 2021	21,412	2,679	24,091
Exchange adjustment	-	(6)	(6)
At 31 July 2022	<u>21,412</u>	<u>2,673</u>	<u>24,085</u>
Amortisation:			
At 1 August 2021	21,412	2,585	23,997
Provided during the year	-	68	68
At 31 July 2022	<u>21,412</u>	<u>2,653</u>	<u>24,065</u>
Net book value:			
At 31 July 2022	-	20	20
At 1 August 2021	-	94	94

## Notes to the Financial Statements

at 31 July 2022

### 9. Tangible fixed assets

<i>Group</i>	<i>Land and building £000</i>	<i>Installations £000</i>	<i>Plant and equipment £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
Cost:					
At 1 August 2021	5,404	59,762	21,876	4,786	91,828
Exchange adjustment	(87)	(63)	(217)	(119)	(486)
Additions	316	3,304	604	495	4,719
Disposals	(41)	(457)	(171)	(307)	(976)
At 31 July 2022	<u>5,592</u>	<u>62,546</u>	<u>22,092</u>	<u>4,855</u>	<u>95,085</u>
Depreciation:					
At 1 August 2021	3,039	38,684	15,745	2,799	60,267
Exchange adjustment	(34)	(43)	(131)	(58)	(266)
Charge for the year	57	1,608	602	360	2,627
Disposals	(41)	(371)	(166)	(307)	(885)
At 31 July 2022	<u>3,021</u>	<u>39,878</u>	<u>16,050</u>	<u>2,794</u>	<u>61,743</u>
Net book value:					
At 31 July 2022	<u>2,571</u>	<u>22,668</u>	<u>6,042</u>	<u>2,061</u>	<u>33,342</u>
At 1 August 2021	<u>2,365</u>	<u>21,078</u>	<u>6,131</u>	<u>1,987</u>	<u>31,561</u>

Certain tangible fixed assets of the group have been pledged as security for the bank facilities of the group £22,582,000 (2021 – £20,854,000).

The net book value of land and buildings is comprised as follows:

	<i>2022 £000</i>	<i>2021 £000</i>
Freehold	1,806	1,534
Leasehold	765	831
	<u>2,571</u>	<u>2,365</u>

## Notes to the Financial Statements

at 31 July 2022

### 9. Tangible fixed assets (continued)

<i>Company</i>	<i>Fixtures and fittings £000</i>
Cost:	
At 1 August 2021	836
Additions	90
Disposal	(307)
At 31 July 2022	<u>619</u>
Depreciation:	
At 1 August 2021	536
Charge for the year	109
Disposal	(307)
At 31 July 2022	<u>338</u>
Net book value:	
At 31 July 2022	<u>281</u>
At 1 August 2021	<u>300</u>

### 10. Investments

<i>Group</i>	<i>Joint venture undertaking £000</i>
Cost:	
At 1 August 2021 and 31 July 2022	<u>578</u>
Depreciation:	
At 1 August 2021 and 31 July 2022	<u>578</u>
Net book value:	
At 31 July 2022	<u>-</u>
At 1 August 2021	<u>-</u>

The carrying value of the group's investment in its joint venture undertaking was reduced to its estimated recoverable amount of £nil. The group has not recognised any further share of the losses retain by its joint venture undertaking.

<i>Company</i>	<i>Subsidiary undertakings £000</i>
At 1 August 2021	27,462
Additions	-
Disposal	(3,279)
Exchange adjustment	(830)
At 31 July 2022	<u>23,353</u>

During the year there was a £3,042,000 (2021 – £779,000 loan) repayment from Hansa NFC GmbH. There was also a £237,000 (2021 – £200,000) loan repayment from Advanced Liquid Feeds Limited.



## Notes to the Financial Statements

at 31 July 2022

### 10. Investments (continued)

Details of the investments in which the group or company holds 20% or more of the ordinary share capital are as follows:

<i>Name of company</i>	<i>Proportion of voting rights and shares held</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
<i>Subsidiary undertaking</i>			
United Molasses GB Limited	100%	United Kingdom	Molasses marketing
UM Storage Limited	100%	United Kingdom	Bulk liquid storage
United Molasses Marketing Limited	100%	United Kingdom	Parent undertaking
United Molasses Marketing (Ireland) Limited*	100%	Republic of Ireland	Parent undertaking
United Molasses Korea Limited*	100%	Korea	Molasses marketing
United Molasses Trading Limited	100%	United Kingdom	Molasses trading
Advanced Liquid Feeds Limited	100%	United Kingdom	Feed fats marketing
United Molasses España, S.A.*	100%	Spain	Molasses marketing
United Molasses Bulk Liquids Trinidad*	100%	Trinidad	Molasses marketing
Hansa Melasse Handelsgesellschaft mbH*	100%	Germany	Molasses marketing
United Molasses Italia Srl*	100%	Italy	Molasses marketing
Tameco NV*	100%	Belgium	Molasses marketing
Nederlandse Melasse Limited*	100%	United Kingdom	Marine chartering
Nederlandse Melasse Handelmaatschappij BV*	100%	Netherlands	Molasses marketing
United Molasses Marketing Philippines Inc*	100%	Philippines	Molasses marketing
Kruden Limited*	100%	Jersey	Molasses marketing
United Molasses (Ireland) Limited*	100%	United Kingdom	Molasses marketing
France Mélasses SA*	100%	France	Molasses marketing
Compania de Melazas S.A.*	50%**	Spain	Molasses marketing
Premier Molasses Company Limited*	100%	Republic of Ireland	Molasses marketing
United Molasses Portugal, Lda*	100%	Portugal	Molasses marketing
Hansa NFC GmbH*	100%	Germany	Bulk liquid storage
Hansa Land Properties GmbH*	100%	Germany	Property holding
Argos Feed Group Zrt*	75%	Hungary	Molasses marketing

\* Held by a subsidiary undertaking.

\*\* Subsidiary undertaking by virtue of voting control.

<i>Joint venture undertaking</i>	<i>Proportion of voting rights and shares held</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
Andean Life LLC	50%	USA	Sugar marketing
Andean Life Ltd	50%	United Kingdom	Sugar marketing

## **Notes to the Financial Statements**

at 31 July 2022

### **10. Investments (continued)**

The registered addresses of the group's subsidiaries and joint venture are as follows:

<i>Name of company</i>	<i>Registered address</i>
United Molasses GB Limited	Clarendon House, 23 Clarendon Road, Belfast BT1 3BG
UM Storage Limited	Clarendon House, 23 Clarendon Road, Belfast BT1 3BG
United Molasses Marketing Limited	52-54 Gracechurch Street, London EC3V 0EH
United Molasses Marketing (Ireland) Limited	R&H Hall, La Touche House, Custom House Dock, IFSC, Dublin 1, Ireland
United Molasses Korea Limited	1604, LG Twintel 1, Samseong-ro 96-gil 6, Gangnam-Gu, Seoul, 06168, Korea
United Molasses Trading Limited	Clarendon House, 23 Clarendon Road, Belfast BT1 3BG
Advanced Liquid Feeds Limited	Athel House, 167 Regent Road, Liverpool, United Kingdom, L20 8DD
United Molasses España, S.A.	Camino Fuente de la Mora 9, 1º planta 28050 Madrid, Spain
United Molasses Bulk Liquids Trinidad	18 Scott Bushe Street, Port of Spain, Trinidad
Hansa Melasse Handelsgesellschaft mbH	Kap-Horn-Strasse 5A (Industrieafen), 28237 Bremen, Germany
United Molasses Italia Srl	Via Maurizio Quadrio 13, 20154 Milano, Italy
Tameco NV	Jozef Verschaveweg 100, 8380 Zeebrugge, Belgium
Nederlandse Melasse Limited	52-54 Gracechurch Street, London EC3V 0EH
Nederlandse Melasse Handelmaatschappij BV	Herikerbergweg 238, 1101 CM Amsterdam, Netherlands
United Molasses Marketing Philippines Inc	Door 15, Ground Floor, Luxur Place, Magsaysay Ave, Bacolod City, Philippines
Kruden Limited	IFC 5, St Helier, Jersey JE1 1ST
United Molasses (Ireland) Limited	Duncrue Street, Belfast BT3 9AQ
France Mélasses SA	47 Rue de Ponthieu, 75008 Paris, France
Compania de Melazas S.A	C/ Cardenal Marcelo Spinola, 42 4ª planta, 28016 Madrid, Spain
Premier Molasses Company Limited	Harbour Road, Foynes, County Limerick, Ireland
United Molasses Portugal, Lda	Avda. Antonio Augusto Aguiar, 19, 4º andar, 1050-012 Lisboa, Portugal
Hansa NFC GmbH	Brandstwiete 4, 20457 Hamburg, Germany
Hansa Land Properties GmbH	Brandstwiete 4, 20457 Hamburg, Germany
Argos Feed Group Zrt	Arany Janos utca 33, 7400 Kaposvár, Hungary
Andean Life LLC	1000 Brickell Ave, Suite 300, Miami, FL 33131, USA
Andean Life Ltd	AG TAX Ltd 7th Floor Minster House 42 Mincing Lane London EC3R 7AE

## Notes to the Financial Statements

at 31 July 2022

### 11. Stocks

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	41,136	36,248	–	–

The difference between purchase price of stocks and their replacement cost is not material.

### 12. Debtors

*Amounts falling due within one year:*

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	25,347	27,625	–	6
Amounts owed by subsidiary undertakings	–	–	1,879	5,780
Amounts owed by parent undertaking	40	157	40	–
Amounts owed by related party undertakings	29	9	–	–
Amounts owed by joint venture undertakings	1,744	1,251	1,744	1,251
Corporation tax	254	–	186	–
Deferred tax	81	40	–	32
Other debtors	7,455	7,119	241	166
Prepayments and accrued income	4,220	1,743	839	666
Derivative financial instruments (note 18)	2,853	394	929	–
	<u>42,023</u>	<u>38,338</u>	<u>5,858</u>	<u>7,901</u>

Other debtors for the group include an amount of £nil (2021 – £808,000) which bears interest at 6% and is secured over certain fixed assets of the counterparty.

Amounts owed by joint venture undertakings for both the group and company include an amount of £1,640,000 (2021 – £906,000) which bears interest at 9%.

*Amounts falling due after more than one year:*

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts owed by subsidiary undertakings	–	–	30,172	26,258
Loan arrangement fees	–	–	236	–
	<u>–</u>	<u>–</u>	<u>30,408</u>	<u>26,258</u>

Of the amounts falling due after more than one year:

£3,358,000 (2021 – £3,414,000) bears interest at EURIBOR+ margin and is repayable on 31 July 2026;  
 £nil (2021 – £4,000) bears interest at BUBOR + margin and is repayable on 13 November 2022;  
 £nil (2021 – £86,000) bears interest at BUBOR + margin and is repayable on 14 November 2022;  
 £nil (2021 – £230,000) bears interest at BUBOR + margin and is repayable on 4 December 2022;  
 £nil (2021 – £273,000) bears interest at BUBOR + margin and is repayable on 24 April 2023;  
 £nil (2021 – £136,000) bears interest at BUBOR + margin and is repayable on 17 June 2023;  
 £34,000 (2021 – £39,000) bears interest at BUBOR + margin and is repayable on 1 August 2023;  
 £68,000 (2021 – £78,000) bears interest at BUBOR + margin and is repayable on 17 April 2024;

## Notes to the Financial Statements

at 31 July 2022

### 12. Debtors (continued)

£68,000 (2021 – £78,000) bears interest at BUBOR + margin and is repayable on 24 April 2024;  
 £68,000 (2021 – £78,000) bears interest at BUBOR + margin and is repayable on 8 May 2024; and  
 £31,000 (2021 – £35,000) bears interest at BUBOR + margin and is repayable on 17 May 2024;  
 £252,000 (2021 – £289,000) bears interest at BUBOR + margin and is repayable on 24 August 2025;  
 £312,000 (2021 – £357,000) bears interest at BUBOR + margin and is repayable on 30 September 2025;  
 £42,000 (2021 – £48,000) bears interest at BUBOR + margin and is repayable on 23 December 2025;  
 £83,000 (2021 – £95,000) bears interest at BUBOR + margin and is repayable on 7 January 2026;

### 13. Cash at bank and in hand

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Cash at bank and in hand	18,526	13,041	11,436	3,375

### 14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Current instalments due on bank loans (note 16)	504	512	–	512
Bank overdraft	3,358	3,414	–	–
Trade creditors	5,398	5,061	64	52
Current corporation tax	235	1,037	–	881
Amounts owed to subsidiary undertakings	–	–	10,147	4,160
Amounts owed to parent undertaking	2	19	–	17
Other creditors	900	1,841	2	184
Other taxation and social security	510	161	140	158
Accruals and deferred income	8,934	10,900	1,011	1,083
Derivative financial instruments (note 18)	441	265	–	7
	20,282	23,210	11,364	7,054

### 15. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans (note 16)	39,625	29,979	–	13,991
Loans owed to subsidiary undertaking	–	–	19,059	3,414
	39,625	29,979	19,059	17,405

## Notes to the Financial Statements

at 31 July 2022

### 16. Loans

Loans repayable, included within creditors, are analysed as follows:

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans	40,129	30,491	–	14,503
Loans owed to subsidiary undertaking	–	–	19,059	3,414
	<u>40,129</u>	<u>30,491</u>	<u>19,059</u>	<u>17,917</u>

  

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£000	£000	£000	£000
Not later than one year	504	512	–	512
Later than one year and not later than five years	39,625	29,979	19,059	17,405
	<u>40,129</u>	<u>30,491</u>	<u>19,059</u>	<u>17,917</u>

On 30 July 2021, the group entered into 5-year loan facilities, comprising term loans of €19.3m and \$15m plus revolving credit facilities of \$15m and €15.4m, the EUR RCF being available for drawdown in sterling, euros or US dollars. The EUR term loan is repayable by annual instalments of €0.6m, with the balance of all facilities repayable on 30 July 2026. The revolving credit facilities have an outstanding balance of \$15m at 31 July 2022 (2021: \$22m and €1.7m). Interest is charged at LIBOR + margin for the USD borrowings and EURIBOR + margin for the EUR borrowings. The bank loans are secured on certain of the group's fixed assets.

The loans owed to subsidiary undertakings represent a €4m facility on which interest is charged at EURIBOR + 0.35% and a €18.7m facility on which interest is charged at EURIBOR + margin. These loans are payable after more than one year.

### 17. Issued share capital and reserves

<i>Allotted, called up and fully paid</i>	2022		2021	
	No.	£000	No.	£000
Ordinary shares of £1 each	5,000,000	<u>5,000</u>	5,000,000	<u>5,000</u>

#### *Called up share capital*

Share capital represents the nominal value of the allotted, called up and fully paid shares.

#### *Profit and loss account*

Profit and loss account represents the distributable reserves of the group and company.

#### *Hedging reserve*

Hedging reserve represents the gains and losses on financial instruments designated as hedging instruments.

## Notes to the Financial Statements

at 31 July 2022

### 18. Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
<i>Financial assets at fair value through comprehensive income</i>				
Forward foreign currency forward contracts	1,066	394	-	-
Interest rate swaps	1,787	-	929	-
	<u>2,853</u>	<u>394</u>	<u>929</u>	<u>-</u>
<i>Financial liabilities at fair value through comprehensive income</i>				
Forward foreign currency forward contracts	402	258	-	-
Interest rate swaps	39	7	-	7
	<u>441</u>	<u>265</u>	<u>-</u>	<u>7</u>

Financial assets measured at fair value through other comprehensive income are comprised of derivative financial instruments.

Financial liabilities measured at fair value through other comprehensive income are comprised of derivative financial instruments.

The group purchases interest rate swaps to manage interest rate volatility and forward foreign currency contracts to hedge currency exposure on firm future commitments.

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices. Where quoted prices are not available for derivatives the fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

The interest rate swaps and forward foreign currency contracts all expire within the next 12 months.

The notional amounts of the interest rate swaps at 31 July 2022 were £29,846,000 (2021 – £6,231,000) and the forward foreign currency contracts at 31 July 2022 were £24,470,000 of sale contracts £26,750,000 of purchase contracts (2021 – £30,705,000 of sale contracts £36,174,000 of purchase contracts).

### 19. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2022	2021
	£000	£000
Group operating profit	20,687	19,397
Gain on disposal of fixed assets	(10)	(8)
Depreciation of tangible fixed assets	2,627	2,802
Impairment of tangible fixed assets	-	884
Amortisation of goodwill	68	103
(Increase)/decrease in stocks	(4,120)	3,140
Decrease/(increase) in debtors	2,963	(1,866)
Decrease in creditors	(2,259)	(17,733)
	<u>19,956</u>	<u>6,719</u>

## Notes to the Financial Statements

at 31 July 2022

### 19. Notes to the statement of cash flows (continued)

(b) Analysis of net debt

	<i>At</i> <i>1 August</i> <i>2021</i> <i>£000</i>	<i>Cash flow</i> <i>£000</i>	<i>Foreign</i> <i>exchange</i> <i>movement</i> <i>£000</i>	<i>Non-cash</i> <i>movements</i> <i>£000</i>	<i>At</i> <i>31 July</i> <i>2022</i> <i>£000</i>
Cash at bank	13,041	5,259	226	–	18,526
Bank overdraft	(3,414)	–	56	–	(3,358)
	9,627	5,259	282	–	15,168
Loans due within 1 year	(512)	–	8	–	(504)
Loans due after 1 year	(29,979)	(6,455)	(3,165)	(26)	(39,625)
	(20,864)	(1,196)	(2,875)	(26)	(24,961)

### 20. Dividends

	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<i>Declared and paid during the year</i>	<i>£000</i>	<i>£000</i>
Equity dividends on ordinary shares:		
Final for 2021: £2.26p paid on 29 December 2021	11,300	–
	11,300	–

### 21. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £259,000 (2021 – £533,000) for the group and £nil (2021 – £nil) for the company.

### 22. Pensions

The Group operates a defined contribution scheme. The pension cost charge for the year represents contributions payment by the Group to the scheme and amounts to £748,000 (2021 – £805,000). The outstanding contributions included in creditors at year end amount to £8,000 (2021 – £nil).

### 23. Other financial commitments

The group and company have entered into operating lease arrangements for the hire of equipment as these arrangements are a cost-efficient way of obtaining the short-term benefits of these assets. The rental charges in respect of these arrangements are disclosed in note 3. There are no other material off balance sheet arrangements.

## Notes to the Financial Statements

at 31 July 2022

### 23. Other financial commitments (continued)

At 31 July the group and company had total commitments under non-cancellable operating leases as set out below:

<i>Group</i>	2022		2021	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Not later than one year	1,743	186	1,573	314
Later than one year and not later than five years	4,666	316	4,645	477
Later than five years	1,946	–	2,745	286
	<u>8,355</u>	<u>502</u>	<u>8,963</u>	<u>1,077</u>

  

<i>Company</i>	2022		2021	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Not later than one year	116	–	58	–
Later than one year and not later than five years	291	–	408	–
	<u>407</u>	<u>–</u>	<u>466</u>	<u>–</u>

### 24. Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A from disclosing transactions with related parties that are wholly owned within the W&R Barnett Holdings Limited group.

During the year, the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 July, are as follows:

<i>Year ended 31 July 2022:</i>	<i>Sales</i>	<i>Purchases</i>	<i>Amounts</i>
			<i>owed from/(to) at year end</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
John Thompson & Sons Limited	199	–	–
Andean Life LLC	–	–	1,744
	<u>199</u>	<u>–</u>	<u>1,744</u>



## Notes to the Financial Statements

at 31 July 2022

### 24. Related party transactions (continued)

<i>Year ended 31 July 2021:</i>	<i>Sales</i>	<i>Purchases</i>	<i>Amounts owed from/(to) at year end</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
United Molasses (Ireland) Limited	2,072	–	–
Premier Molasses Limited	5,738	12	–
John Thompson & Sons Limited	195	–	9
Argos Feed Group Zrt	–	–	7
Andean Life LLC	–	–	1,251
	<u>8,005</u>	<u>12</u>	<u>1,267</u>

Argos Feed Group Zrt is a subsidiary of United Molasses Group Limited. John Thompson & Sons Limited is a fellow subsidiary of W&R Barnett Holdings Limited. Andean Life LLC is a joint venture of United Molasses Group Limited. These subsidiary companies are not wholly owned within the W&R Barnett Holdings Limited group.

United Molasses (Ireland) Limited and Premier Molasses Company Limited are subsidiaries of United Molasses Group Limited, but became wholly owned within the W&R Barnett Holdings Limited group on 2 December 2020, with transactions entered into until this date disclosed above.

#### *Terms and conditions of transactions with related parties*

All related party transactions relate to sales & purchase of goods. Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured, interest free and cash settlement is expected within 30 days of invoice. During the year ended 31 July 2022, the group made a provision of £78,000 for doubtful debts relating to amounts owed by related parties (2021 – £998,000).

#### *Key management personnel*

The directors are considered to be key management personnel. Total remuneration in respect of these individuals is £575,000 (2021 – £651,000).

### 25. Ultimate parent undertaking and controlling party

The group's ultimate parent undertaking and the parent undertaking of the largest group of undertakings to consolidate these financial statements is W&R Barnett Holdings Limited, a company incorporated and registered in Northern Ireland. The group financial statements of W&R Barnett Holdings Limited are available at its registered office: Clarendon House, 23 Clarendon Road, Belfast.

The ultimate controlling party are the shareholders of W&R Barnett Holdings Limited.

### 26. Post balance sheet events

On 23 November 2022 the company's subsidiary Advanced Liquid Feeds Limited entered into an agreement to sell its stock and trade to a third party at their market value on the date of completion. An estimate of the financial effect of this transaction cannot be made as at the date of approval of these financial statements because this market value cannot be determined until after the completion date.

On 28 November 2022 the group declared a final dividend of £2.33 per share.