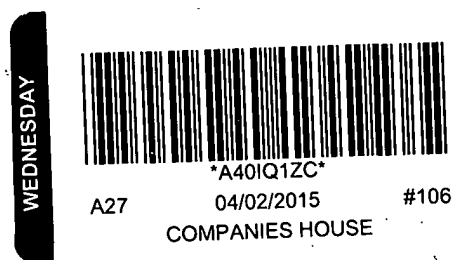


Financial Statements

Pauls Malt Limited

For the year ended 30 June 2014



Registered number: 00088929

Company Information

Directors	D R Wilkes J-F Loiseau (France) Y Shaepman (Belgium) P Chandru de Raynal (France) (appointed 4 August 2011)
Company secretary	Goodbody Northern Ireland Secretarial Limited (Northern Ireland)
Registered number	00088929
Registered office	24/25 Eastern Way Bury St Edmunds Suffolk IP32 7AD
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Bankers	Natwest Bank PLC 15 Bishopsgate London EC2P 2AP HSBC PLC 69 Pall Mall St James London SW1Y5E
Solicitors	Slaughter and May LLP 35 Basinghall Street London EC2V 5DB Eversheds LLP Bridgewater Place Water Lane Leeds LS11 5DR

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Directors' Report

For the year ended 30 June 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results

The profit for the year, after taxation, amounted to £5,966 thousand (2013 - £1,610 thousand).

Directors

The directors who served during the year were:

D R Wilkes
J-F Loiseau (France)
Y Shaepman (Belgium)
P Chandru de Raynal (France) (appointed 4 August 2011)

The directors and their spouses and minor children have no interest in the shares of the company. D.Bamas, J-M Dubois, J-F Loiseau and Y.Shaepman were also directors of the company's ultimate parent undertaking, Société Coopérative Agricole Axereal, at 30 June 2014, and their interests are disclosed in that company's financial statements for the period ended 30 June 2014. There are no other interests requiring disclosure under the Companies Act 2006.

Political contributions

The company made charitable donations in the financial period of £350 (2013 - £793). The company made no political donations in the financial period (2013 - £nil).

Directors' Report

For the year ended 30 June 2014

Employees

During the financial period, the company gave full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes when related to any suitable opportunities available.

Company policy provides that existing employees who become disabled shall continue employment with the company if at all possible, subject to any appropriate retraining.

Training, career development and promotion apply equally to all employees, taking into consideration their aptitudes and abilities.

Matters of interest and concern are regularly circulated to employees. Meetings are held at various staff levels on a regular basis to discuss matters of mutual interest and the views of employees are taken into account when making decisions that are likely to affect their interests.

Disclosure of information to auditor

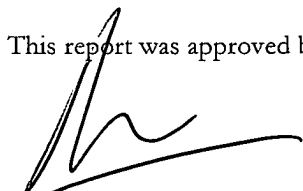
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on



D R Wilkes
Director

14/01/15

and signed on its behalf.

Strategic Report

For the year ended 30 June 2014

Introduction

The principle activities during the period was that of supplying malt to the brewing and distilling industries, and the provision of barley drying and storage services.

Business review

Global beer sales were estimated to have increased by 0.6% in 2013, historically a relatively low growth rate. Within this Europe declined by 3.2%, the Americas were overall relatively flat showing a modest increase of 0.3% with better growth rates in Asia (2.8%) and Africa (6%). Prospects for 2014 look better with a projected growth rate of 2.3% which is closer to the historic average driven by a modest increase in Europe (although a reduction of 2% is expected in Eastern Europe) and a return to growth in the Americas. Brazil has already shown a growth rate of 8.7% for the first 7 months of 2014 partly accounted for by The World Cup.

In recent years whisky consumption and Scottish exports have shown spectacular growth. For the first 6 months of 2014 however exports fell by 11% in value terms when compared to the year before. This was partly impacted by Chinese austerity measures as well as declines in Brazil, Singapore and the USA. Good growth rates continued to be recorded for France, Taiwan, India and Canada. Overall the industry remains confident of future growth potential and is investing in new distilling capacity. Whilst some tempering in demand has been seen sales of malt to distillers remains strong.

The Craft brewing phenomena continues with total global output now estimated to account for 3% of total beer world consumption. This equates to some 1.68M tonnes of malt. Forecasts are for continued growth in this sector and given the relatively high usage rate of malt this will be positive for the overall malt supply and demand balance sheet and is increasingly an important sector for the UK.

Exports of malt from the EU reached 2.4M tonnes in 2013/14 up from 1.8M in 2009/10. The French, Belgian and UK malting industries are working at close to full capacity. In the UK the distilling industry demand for malt has now reached 800k MT malt. Even German capacity utilisation is estimated to have reached 91%.

The EU including the UK has had a large and generally good quality 2014 malting barley crop. Prospects are much less good in Canada, US and Argentina. As such the EU is the most competitive supplier of barley and malt at the present time. There are already signs of increased interest and demand for malt in Asia and S America which should be positive for the 2014 outlook.

Boortmalt have a strategy to secure approximately 70% of total sales commitments through Long Term Agreements (LTA's) to give better earnings visibility and predictability. A number of new and important LTA's were signed during the past twelve months in line with this strategy.

Working Capital is a key consideration and the reduction of grain prices has favourably impacted the Capital Employed of the business compared with 2013. Initiatives continue to be implemented to further minimize Working Capital.

Cost focus remains a key consideration in what is a capital intensive industry particularly around energy usage and consequently energy roadmaps and targeted capital expenditure are expected to bear fruit in the coming years.

The UK business is well sold for 2014/15. With improving margins and a close focus on cost control, financial results are anticipated to improve in the next Financial Year.

Strategic Report (continued)

For the year ended 30 June 2014

Principal risks and uncertainties

Risks and mitigating controls are managed and reviewed by the senior management team on a regular basis. Also, being part of a larger group (SCA Axereal or "Group"), these are also subject to review by the Group's financial audit programmes. Accreditation under various quality, environmental, and health and safety standards ensures these areas are regularly reviewed for compliance to these standards.

The company faces a number of risks and uncertainties that can be summarised into four categories, as follows:

Commercial

The loss of a manufacturing site through fire, natural catastrophe, act of vandalism or critical plant failure could potentially have a material impact.

These risks are mitigated through robust security and comprehensive disaster recovery plans. In addition external insurance and risk management experts review all sites and discuss findings with senior management.

A shortage of raw material supply could result in increased costs and loss of production.

The commercial team monitors exposures weekly and the senior management team reviews exposures on a monthly basis.

Fluctuating energy prices can have a significant impact on profitability.

There is a strong commercial focus on purchasing energy and diversifying risk.

Operational

As part of the food and drink industry the company is subject to market related risks associated with food products.

The company has a strong technical function dealing with product quality and traceability. There are systems in place for hygiene, health and safety and environmental controls. The systems are reviewed regularly by the senior management team who also review customer audits.

Financial

Through the group's treasury function, the company uses forward exchange contracts to hedge exchange exposures arising from forecast receipts and purchases in foreign currencies.

The company policy is for all sales and purchase contracts to be hedged at the time the contract is made and therefore avoid the risks of speculation.

The company's defined benefit pension fund is exposed to the risk of changes in interest rates and the market values of investments as well as inflation and the increasing longevity of scheme members.

The risk is mitigated by paying appropriate contributions into the fund and through a balanced investment strategy to avoid a material worsening of the current deficit. The defined benefit scheme is closed to new members.

Further details on financial risk management objectives and policies are given below.

Strategic Report (continued)

For the year ended 30 June 2014

Systems

A significant IT failure could adversely impact on the business.

Robust IT disaster recovery plans and system backup processes are in place.

Financial key performance indicators

The company considers as part of its management accounting process the following measures to be indicators of the underlying performance of the business:

Operational efficiency is key to the business succeeding and two measures of this are tonnes of malt produced per employee and capacity utilisation. Malt produced per employee was 2,540 tonnes in the financial period (2013 - 2,518 tonnes) and capacity utilisation was 89% in the financial period (2013 - 85%).

Increasing market share in the UK brewing sector by reducing deliveries to lower margin export countries improved average margin. Deliveries into the high margin distilling sector were maintained. The proportion of sales tonnes to the three main sectors were - distilling 37% (2013 - 37%), brewing 44% (2013 - 34%), export 19% (2013 - 28%).

Free cash flow is an important indicator of the company's performance in maximising cash generation. The net cash inflow from operations in the financial period was £14,018,000 (2013 - inflow of £4,902,000).

Return on investment is measured using the company's operating profit, excluding property sales, against the average total of shareholders' funds invested in the business. The return in the financial period was 27% (2013 - 3%).

Financial management objectives and policies

The company is exposed to a variety of financial risks including interest rate, foreign currency, liquidity and credit risk. These financial risks are managed under policies approved by the ultimate holding company. The company uses forward currency contracts to manage the financial risk associated with selling and buying in currencies other than sterling. The company does not use derivative financial instruments for trading and speculative purposes.

Interest rate risk

Funding is provided by the ultimate holding company, which has policies in place to optimise the interest cost and reduce volatility in reporting earnings. This is managed by reviewing the debt profile regularly and by selectively using interest rate swaps to limit the level of floating interest rate exposure.

Foreign currency risk

The company trades internationally and uses forward exchange contracts to hedge exchange exposures arising from forecast receipts and payments in foreign currencies.

Liquidity risk

Funding is provided by the ultimate holding company, which has a policy to ensure that there is always sufficient long term and committed bank facilities in place to meet foreseeable peak borrowing requirements. There is also a prudent approach to liquidity risk management by spreading the maturities of debt from short-term to long-term

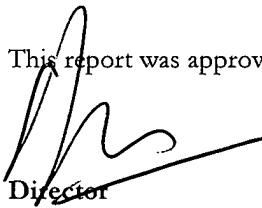
Strategic Report (continued)

For the year ended 30 June 2014

Credit risk

The company derives a significant proportion of its revenue from sales to a limited number of major customers. Sales to individual customers can be of significant value and the failure of any such customer to honour its debts could materially impact on the company's results. The company manages the risk by regularly reviewing the credit history and rating of all significant customers.

This report was approved by the board on


Director

14/01/15

and signed on its behalf.

Independent Auditor's Report to the Members of Pauls Malt Limited

We have audited the financial statements of Pauls Malt Limited for the year ended 30 June 2014, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion 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.



Independent Auditor's Report to the Members of Pauls Malt Limited

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to be "T. Lincoln", written over a horizontal line.

Timothy Lincoln (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol
Date:

29 January 2015.

Profit and Loss Account

For the year ended 30 June 2014

	Note	2014 £000	2013 £000
Turnover	1,2	128,172	129,692
Cost of sales		(111,198)	(120,549)
Gross profit		16,974	9,143
Distribution costs		(5,676)	(5,552)
Administrative expenses		(2,078)	(2,664)
Operating profit	3	9,220	927
Income from other participating interests		-	1,624
Interest receivable and similar income	8	86	30
Interest payable and similar charges	9	(1,654)	(751)
Other finance expense	10	27	(69)
Profit on ordinary activities before taxation		7,679	1,761
Tax on profit on ordinary activities	11	(1,713)	(151)
Profit for the financial year	20	5,966	1,610

All amounts relate to continuing operations.

The notes on pages 12 to 26 form part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 30 June 2014

	Note	2014 £000	2013 £000
Profit for the financial year		5,966	1,610
Actuarial gain related to pension scheme	24	(693)	(905)
Deferred tax attributable to actuarial gain	24	(18)	(173)
Current tax attributable to pension scheme deficit reduction contributions		<u>114</u>	<u>368</u>
Total recognised gains and losses relating to the year		<u>5,369</u>	<u>900</u>

The notes on pages 12 to 26 form part of these financial statements.

Balance Sheet

As at 30 June 2014

	Note	£000	2014 £000	2013 £000
Fixed assets				
Tangible assets	12		35,031	33,059
Current assets				
Stocks	14	8,034		8,819
Debtors	15	12,734		23,841
Cash at bank		14,166		3,728
		<u>34,934</u>		<u>36,388</u>
Creditors: amounts falling due within one year	16	<u>(22,545)</u>		<u>(27,667)</u>
Net current assets			<u>12,389</u>	<u>8,721</u>
Total assets less current liabilities			<u>47,420</u>	<u>41,780</u>
Creditors: amounts falling due after more than one year	17		<u>(6,712)</u>	<u>(7,178)</u>
Provisions for liabilities				
Deferred tax	18		<u>(2,607)</u>	<u>(2,076)</u>
Net assets excluding pension scheme liabilities			<u>38,101</u>	<u>32,526</u>
Defined benefit pension scheme liability	24		<u>(1,630)</u>	<u>(1,424)</u>
Net assets including pension scheme liabilities			<u><u>36,471</u></u>	<u><u>31,102</u></u>
Capital and reserves				
Called up share capital	19		1,081	1,081
Share premium account	20		988	988
Profit and loss account	20		<u>34,402</u>	<u>29,033</u>
Shareholders' funds	21		<u><u>36,471</u></u>	<u><u>31,102</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14/01/15


D R Wilkes
 Director

The notes on pages 12 to 26 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company is part of the financial arrangements of the Société Coopérative Agricole Axereal. The group manages its finance centrally and provides its trading subsidiaries with the necessary funds to meet its operational/business needs. The directors of the company have received confirmation from the group that it will provide them with the necessary funds to meet its operational/business needs for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Cash flow

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% per annum on cost
Plant & machinery	-	3.33%-25% per annum on cost

Freehold land and assets under construction are not depreciated. The company does not capitalise finance costs.

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies (continued)

1.7 Leasing and hire purchase

Assets held under sale and finance leaseback agreements, in which the commercial substance of the underlying agreement is considered to be a secured loan, and that confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and depreciated over their useful economic lives. The capital element of the leasing commitment is recorded as a liability and is shown as an interest element. The capital element is applied to reduce the outstanding obligations under the leasing commitments and the interest element is charged on a reducing balance basis to the profit and loss account over the period of the agreement.

1.8 Operating leases

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value. Where appropriate, costs include raw materials, freight and direct labour expenses, along with related production and other overheads. Net realisable value is the actual or estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

The company acts as a disclosed purchasing agent on behalf of Utexam Logistics Limited, a company that operates in the commodity supply industry. The company recognises raw material costs and the related liabilities in its accounts when the title to the raw materials passes to it from Utexam Logistics Limited.

1.10 Current taxation

The current tax charge is based on the profit for the period and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies (continued)

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction, or where appropriate, the forward contract rate (the company uses forward contracts to hedge its foreign exchange exposure in respect of foreign customers). Legal responsibility for the forward contracts lies with Boortmalt NV, a fellow subsidiary company of the ultimate holding company, who arranges the contracts on the company's behalf.

Exchange gains and losses are recognised in the Profit and loss account.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 June 2013.

For the defined benefit plan, the amount charged to operating profit is the cost of accruing pension benefits promised to employees over the period plus any benefit improvements granted to members by the company during the period. Other finance charges/income in the profit and loss account includes a credit equivalent to the company's expected return on the pension plan assets over the period, offset by a charge equal to the expected increase in the plans' liabilities over the period. The difference between the market value of the plan assets and the present value of the plan liabilities is disclosed as an asset/liability on the balance sheet, net of deferred tax (to the extent that it is recoverable). Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the period due to changes in assumptions or experience within the plan, are recognised in the statement of total recognised gains and losses.

1.14 Dividends

Dividend distributions payable to equity shareholders are included in current liabilities when the dividends are approved by the board prior to the balance sheet date.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies (continued)

1.15 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The analysis of turnover by activity is as follows:

	2014 £000	2013 £000
Malt - manufacture and sale	122,498	123,839
Barley drying and storage services	5,674	5,853
	<u>128,172</u>	<u>129,692</u>

A geographical analysis of turnover is as follows:

	2014 £000	2013 £000
United Kingdom	99,619	91,327
Rest of European Union	6,030	8,445
Rest of world	886	1,342
Africa	94	923
Asia	21,543	27,655
	<u>128,172</u>	<u>129,692</u>

Notes to the Financial Statements

For the year ended 30 June 2014

3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	2,221	2,148
- held under finance leases	408	452
Difference on foreign exchange	(639)	166
	<u> </u>	<u> </u>

4. Auditors' remuneration

	2014 £000	2013 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	46	48
	<u> </u>	<u> </u>

5. Staff Costs

	2014 £000	2013 £000
Wages and Salaries	3,895	3,614
Social security costs	394	364
Other pension costs - defined benefit schemes	122	103
Other pension costs - defined contribution scheme	216	233
	<u> </u>	<u> </u>
	4,627	4,314
	<u> </u>	<u> </u>

6. Average number of employees

The average monthly number of employees, including directors, during the year was as follows:

	2013 No	2012 No
Number of production staff	79	75
Number of sales and administrative staff	40	40
	<u> </u>	<u> </u>
	119	115
	<u> </u>	<u> </u>

Notes to the Financial Statements

For the year ended 30 June 2014

7. Directors' remuneration

	2014 £000	2013 £000
Remuneration	288	288

The highest paid director received remuneration of £288,028 (2013 - £288,029).

8. Interest receivable

	2014 £000	2013 £000
Interest receivable from group companies	54	9
Share of joint ventures' interest receivable	7	-
Other interest receivable	25	21
	<u>86</u>	<u>30</u>

9. Interest payable

	2014 £000	2013 £000
On bank loans and overdrafts	240	213
On loans from group undertakings	1,414	538
	<u>1,654</u>	<u>751</u>

10. Other finance expense

	2014 £000	2013 £000
Expected return on pension scheme assets	702	531
Interest on pension scheme liabilities	(675)	(600)
	<u>27</u>	<u>(69)</u>

Notes to the Financial Statements

For the year ended 30 June 2014

11. Taxation

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,182	598
Deferred tax		
Current period charge	280	(608)
Adjustment in respect of prior year	251	161
Total deferred tax (see note 18)	531	(447)
Tax on profit on ordinary activities	1,713	151

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.5% (2013 - 25.5%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	7,679	1,761
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013 - 25.5%)	1,728	418
Effects of:		
Depreciation for year/period in excess of capital allowances	(656)	512
Adjustments to tax charge in respect of prior periods	-	2
Non-taxable income	-	(386)
Expenses not deductible for tax purposes	110	52
Current tax charge for the year (see note above)	1,182	598

In addition to the above current tax charge for the year recorded within the profit and loss account, a credit of £113,632 (2013 - £368,000) has been recorded in the profit and loss reserve in respect of tax relief on pension scheme deficit repayment contributions.

Notes to the Financial Statements

For the year ended 30 June 2014

12. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Construction in progress £000	Total £000
Cost				
At 1 July 2013	6,993	78,152	434	85,579
Additions	-	-	4,601	4,601
Transfer between classes	174	3,138	(3,312)	-
At 30 June 2014	7,167	81,290	1,723	90,180
Depreciation				
At 1 July 2013	2,274	50,246	-	52,520
Charge for the year	113	2,516	-	2,629
At 30 June 2014	2,387	52,762	-	55,149
Net book value				
At 30 June 2014	4,780	28,528	1,723	35,031
At 30 June 2013	4,719	27,906	434	33,059

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £000	2013 £000
Plant and machinery	3,451	3,858

13. Fixed asset investments**Associates**

Name	Country of incorporation	Class of shares	Holding	Principal activity
Multimalt Limited	Nigeria	Ordinary 1 Naira share	20%	Handling of cereals and other agricultural products for export and import.

Notes to the Financial Statements

For the year ended 30 June 2014

14. Stocks

	2014 £000	2013 £000
Raw materials	723	736
Work in progress	1,529	1,718
Finished goods and goods for resale	5,782	6,365
	<u>8,034</u>	<u>8,819</u>

15. Debtors

	2014 £000	2013 £000
Trade debtors	12,155	16,562
Amounts owed by group undertakings	60	5,759
Corporation tax	-	628
Other debtors	434	792
Prepayments and accrued income	85	100
	<u>12,734</u>	<u>23,841</u>

16. Creditors:

Amounts falling due within one year

	2014 £000	2013 £000
Tangible fixed asset purchases	1,541	354
Trade creditors	15,093	22,910
Amounts owed to group undertakings	5,214	3,987
Corporation tax	271	-
Other taxation and social security	138	105
Accruals and deferred income	288	311
	<u>22,545</u>	<u>27,667</u>

17. Creditors:

Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	6,712	7,178

Notes to the Financial Statements

For the year ended 30 June 2014

18. Deferred taxation

Deferred tax excluding that relating to the pension scheme

	2014 £000	2013 £000
At beginning of year	2,076	2,523
Charge for/(released during) year (P&L)	280	(608)
Adjustment in respect of prior year (P&L)	251	161
At end of year	<u>2,607</u>	<u>2,076</u>

The provision for deferred taxation is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	<u>2,607</u>	<u>2,076</u>

The balance of the deferred taxation account consists of the tax effect of timing difference in respect of:

	2014 £000	2013 £000
Deferred tax excluding that relating to the pension disclosure	2,076	2,523
Pension liability	(407)	(598)
Total	<u>1,669</u>	<u>1,925</u>

19. Share capital

	2014 £000	2013 £000
Authorised, allotted, called up and fully paid		
1,081,000 Ordinary shares shares of £1 each	<u>1,081</u>	<u>1,081</u>

Notes to the Financial Statements

For the year ended 30 June 2014

20. Reserves

	Share premium account £000	Profit and loss account £000
At 1 July 2013	988	29,033
Profit for the year	-	5,966
Pension reserve movement	-	(711)
Current tax adjustment on pension scheme deficit reduction contributions	-	114
At 30 June 2014	<u>988</u>	<u>34,402</u>

The closing balance on the profit and loss account includes a £1,630 thousand (2013 - £1,424 thousand) debit, stated after deferred taxation of £407 thousand (2013 - £425 thousand), in respect of pension scheme liabilities of the company pension scheme.

21. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	31,102	30,202
Profit for the financial year	5,966	1,610
Other recognised gains and losses during the year	(597)	(710)
Closing shareholders' funds	<u>36,471</u>	<u>31,102</u>

22. Contingent liabilities

There were no contingent liabilities at 30 June 2014 or 30 June 2013.

23. Capital commitments

At 30 June 2014 the company had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>256</u>

Notes to the Financial Statements

For the year ended 30 June 2014

24. Pension commitments

The company operates a funded, defined benefit scheme in the UK. The scheme is comprised of approximately half office based and half manufacturing based employees, situated at various locations within the UK. The assets of the schemes are held separately from those of the company.

The company operates a defined benefit pension scheme.

The last full actuarial valuation of this scheme was carried out as at 30 June 2014 by a qualified independent actuary. The service cost has been calculated by using the Projected Unit method.

The amounts recognised in the Balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(14,966)	(13,904)
Fair value of scheme assets	12,929	12,055
Deficit in scheme	(2,037)	(1,849)
Related deferred tax asset	407	425
Net liability	(1,630)	(1,424)

The amounts recognised in profit or loss are as follows:

	2014 £000	2013 £000
Current service cost	(122)	(103)
Interest on obligation	(675)	(600)
Expected return on scheme assets	702	531
Net return	(95)	(172)
Total pension (expense)/income recognised in the profit and loss account	(95)	(172)

Movements in the present value of the defined benefit obligation were as follows:

	2014 £000	2013 £000
Opening defined benefit obligation	13,904	12,800
Current service cost	122	103
Interest cost	675	600
Actuarial Losses	637	1,113
Benefits paid	(250)	(609)
Expenses and premiums paid	(122)	(103)
Closing defined benefit obligation	14,966	13,904

Notes to the Financial Statements

For the year ended 30 June 2014

24. Pension commitments (continued)

Changes in the fair value of scheme assets were as follows:

	2014 £000	2013 £000
Opening fair value of scheme assets	12,055	10,308
Expected return on assets	702	531
Actuarial gains and (losses)	(56)	208
Contributions by employer	600	1,720
Benefits paid	(250)	(609)
Expenses and premiums paid	(122)	(103)
	<u>12,929</u>	<u>12,055</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £16,516,000 (2013 - £15,823,000).

The company expects to contribute £500,000 to its defined benefit pension scheme in 2015.

In valuing the liabilities of the pension fund at 30 June 2013, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

Current pensioner ages 87.9 years (male), 91.2 years (female). The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	29.80 %	21.90 %
Bonds	7.10 %	5.10 %
Cash/other	63.10 %	73.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate at 30 June	4.55 %	4.90 %
Future salary increases	3.40 %	3.40 %
Future pension increases	3.40 %	3.40 %
Inflation assumption	2.60 %	2.90 %
Rate of increase in pension in deferment	2.50 %	2.50 %

Notes to the Financial Statements

For the year ended 30 June 2014

24. Pension commitments (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2014	2013
Retiring today		
Males	22.0	22.9
Females	24.2	26.2
Retiring in 20 years		
Males	23.4	24.8
Females	25.7	28.2

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset distribution at the start of the period to develop the expected long-term rate of return on assets assumption for the portfolio.

Scheme assets are measured at market value. Pension liabilities are measured using the projected unit method discounted to present value. Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	(14,966)	(13,904)	(12,800)	(12,333)	(12,761)
Scheme assets	12,929	12,055	10,308	9,374	7,176
Deficit	(2,037)	(1,849)	(2,492)	(2,959)	(5,585)
Experience adjustments on scheme liabilities	(637)	(1,113)	(306)	(225)	-
Experience adjustments on scheme assets	(56)	208	(591)	48	-

25. Operating lease commitments

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
Expiry date:		
Within 1 year	16	2
Between 2 and 5 years	40	86

Notes to the Financial Statements

For the year ended 30 June 2014

26. Other financial commitments

Foreign exchange contracts

At 30 June 2014 the company had a commitment to sell €19,236,155 (2013 - €26,667,041) as part of its foreign currency hedging contracts. The fair value of these contracts at 30 June 2014 was £766,716 (in the money) (2013 - £690,447 (out of the money)). At 30 June 2014 the company had a commitment to sell US\$4,270,809 (2013 - US\$6,149,590). The fair value of these contracts at 30 June 2014 was £145,863 (in the money) (2013 - £113,809 (out of the money)).

27. Related party transactions

As a wholly owned subsidiary, the company is exempt from the requirements of FRS8 to disclose the transactions with other members of the group.

28. Ultimate parent undertaking and controlling party

On 26 March 2010, 100% of the share capital of Pauls Malt Limited was purchased by Boortmalt UK Limited.

The immediate parent undertaking of this company is Boortmalt UK Ltd, a company incorporated in the United Kingdom. This company does not prepare consolidated financial statements.

The ultimate parent undertaking and controlling party is Société Coopérative Agricole Axereal, a co-operative company incorporated in France. Société Coopérative Agricole Axereal is the largest group of undertakings for which group accounts have been drawn up. Copies of the consolidated financial statements of Société Coopérative Agricole Axereal may be obtained from SCA Axereal, 36 rue de la Manufacture - CS 40639, 45166 Olivet Cedex, France.