Financial Statements
Pauls Malt Limited

For the year ended 30 June 2015

Registered number: 00088929

Company Information

Directors	D R Wilkes J-F Loiseau (France) Y Shaepman (Belgium) P Chaudru de Raynal (France)
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 135 Bishopsgate London EC2M 3UR HSBC PLC 69 Pall Mall St James London SW1Y5E
Solicitors	Slaughter and May LLP 2 Lambs Passage London EC1Y 8BB Eversheds LLP Bridgewater Place Water Lane Leeds LS11 5QT

Contents

Directors' Report
For the year ended 30 June 2015

The directors present their report and the audited financial statements for the year ended 30 June 2015.

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.

Directors

The directors who served during the year were:

D R Wilkes
J-F Loiseau (France)
Y Shaepman (Belgium)
P Chaudru de Raynal (France)

The directors and their spouses and minor children have no interest in the shares of the company. J-F Loiseau and Y.Shaepman were also directors of the company's ultimate parent undertaking, Société Coopérative Agricole Axereal, at 30 June 2015, and their interests are disclosed in that company's financial statements for the period ended 30 June 2015. There are no other interests requiring disclosure under the Companies Act 2006.

Charitable contributions

The company made charitable donations in the financial period of £374 (2014 - £350). The company made no political donations in the financial period (2014 - £nil).

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.

Directors' Report
For the year ended 30 June 2015

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 22nd December 2015 and signed on its behalf.

D R Wilkes
Director

Strategic Report
For the year ended 30 June 2015

Introduction

The principal 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 decreased by 0.6% in 2014; this is only the third year historically where we have seen a decrease year-on-year. Within this Europe declined by 1.7% and Africa was the only region to have shown an increase at 5.2%. These generally poor figures were influenced by both political and economic turmoil in several regions and countries around the globe. Despite this situation EU exports of malt increased to 2.53 Million tonnes in 2014/15 up from 2.16 Million tonnes in 2010/11. Most EU maltsters are operating at full capacity and we are already seeing very strong demand for malt for delivery in 2016. For the coming Financial Year the Boortmalt Group anticipate operating at full capacity for the fourth year running.

In the first six months of 2014 Scotch Whisky exports fell by 11% in value terms when compared to the year before as a result of market reductions most notably in China, Brazil, Singapore and the USA. This decline in exports dropped to 3% for the first six months of 2015 and most notably exports of single malt whisky increased by 5%. This is a welcome improvement and long term prospects for Scotch whisky remain positive with a number of key distillers continuing to invest in additional production. UK industry sales of malt into the distilling sector have more than doubled to over 800,000 tonnes over the past 15 years. Boortmalt continue to increase market share in distilling driven by quality and service performance.

The Craft brewing phenomenon continues and in the US its share of the total beer market is expected to exceed 20% well before 2020. In the UK Craft beer production increased by 15% in 2014 and there are now over 1,400 breweries in the UK; more per head of population than any other country and the most for 80 years. This interest in Craft beer is generally positive for the whole sector as indicated by the latest UK beer statistics for Q3 2015 which showed an overall increase in beer production of 3.9% versus the year before.

The EU including the UK has had large and generally good quality malting barley crops both in 2014 and 2015. In the UK malting barley acreage has increased in response to growers moving away from wheat due to black grass problems and this has ensured the business has ample supplies for its operations. Cereal prices have generally decreased following good global output which is beneficial for working capital.

Long Term Agreements (LTA's) remain a key pillar of the business's commercial strategy with approximately 70% of sales being made through such agreements. A number of important LTAs were renewed during the course of the last financial year. The business is already close to being fully sold for the next Financial Year and this will underpin a continuing strong business performance. This is despite a strong Pound and the negative impact this is likely to have on export volumes.

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:

Strategic Report (continued)
For the year ended 30 June 2015

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.

Systems

A significant IT failure could adversely impact on the business.

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

Strategic Report (continued)

For the year ended 30 June 2015

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 2,518 tonnes in the financial period (2014 - 2,540 tonnes) and capacity utilisation was 90% in the financial period (2014 - 89%).

Increasing market share in the higher margin distilling sector was achieved, which benefited average margin, as deliveries into the lower margin brewing sector were decreased. Deliveries into export markets were maintained. The proportion of sales tonnes to the three main sectors were - distilling 40% (2014 – 37%), brewing 41% (2014 – 44%), export 19% (2014 – 19%).

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 £12,689,000 (2014 - inflow of £14,018,000).

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 25% (2014 - 27%).

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 2015

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 22nd December 2015 and signed on its behalf.

D R Wilkes
Director

Grant Thornton

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 2015, 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 as stated on Page 1, 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 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 2015 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.

Grant Thornton

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.

Timothy Lincoln (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol
Date: 28 December 2014.

Profit and Loss Account

For the year ended 30 June 2015

	Note	2015 £000	2014 £000
Turnover	1,2	**121,018**	128,172
Cost of sales		**(103,496)**	(111,198)
Gross profit		**17,522**	16,974
Distribution costs		**(6,031)**	(5,676)
Administrative expenses		**(1,584)**	(2,078)
Operating profit	3	**9,907**	9,220
Interest receivable and similar income	8	**413**	86
Interest payable and similar charges	9	**(1,100)**	(1,654)
Other finance expense	10	**48**	27
Profit on ordinary activities before taxation		**9,268**	7,679
Tax on profit on ordinary activities	11	**(2,064)**	(1,713)
Profit for the financial year	20	**7,204**	5,966

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 2015

	Note	2015 £000	2014 £000
Profit for the financial year		**7,204**	5,966
Actuarial gain related to pension scheme	24	**(1,650)**	(693)
Deferred tax attributable to actuarial gain	24	**225**	(18)
Current tax attributable to pension scheme deficit reduction contributions		**116**	114
Total recognised gains and losses relating to the year		**5,895**	5,369

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

Balance Sheet
As at 30 June 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	12		**37,800**		35,031
Current assets					
Stocks	14	**5,154**		8,034	
Debtors	15	**24,579**		12,734	
Cash at bank		**15,551**		14,166	
		45,284		34,934	
Creditors: amounts falling due within one year	16	**(29,261)**		(22,545)	
Net current assets			**16,023**		12,389
Total assets less current liabilities			**53,823**		47,420
Creditors: amounts falling due after more than one year	17		**(5,957)**		(6,712)
Provisions for liabilities					
Deferred tax	18		**(3,000)**		(2,607)
Net assets excluding pension scheme liabilities			**44,866**		38,101
Defined benefit pension scheme liability	24		**(2,500)**		(1,630)
Net assets including pension scheme liabilities			**42,366**		36,471
Capital and reserves					
Called up share capital	19		**1,081**		1,081
Share premium account	20		**988**		988
Profit and loss account	20		**40,297**		34,402
Shareholders' funds	21		**42,366**		36,471

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

22nd December 2015

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 2015

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 2015

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 2015

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 2015

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:

	2015	2014
	£000	£000
Malt - manufacture and sale	**115,791**	122,498
Barley drying and storage services	**5,227**	5,674
	121,018	128,172

A geographical analysis of turnover is as follows:

	2015	2014
	£000	£000
United Kingdom	**94,254**	99,619
Rest of European Union	**5,552**	6,030
Rest of world	**806**	886
Africa	**56**	94
Asia	**20,350**	21,543
	121,018	128,172

Notes to the Financial Statements
For the year ended 30 June 2015

3. Operating profit

The operating profit is stated after charging:

	2015	2014
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	2,414	2,222
- held under finance leases	350	408
Difference on foreign exchange	(961)	(639)

4. Auditors' remuneration

	2015	2014
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	45	46

5. Staff Costs

	2015	2014
	£000	£000
Wages and Salaries	4,190	3,895
Social security costs	418	394
Other pension costs - defined benefit schemes	89	122
Other pension costs - defined contribution scheme	248	216
	4,945	4,627

6. Average number of employees

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

	2015	2014
	No	No
Number of production staff	82	79
Number of sales and administrative staff	40	40
	122	119

Notes to the Financial Statements

For the year ended 30 June 2015

7. Directors' remuneration

	2015	2014
	£000	£000
Remuneration	326	288

The highest paid director received remuneration of £325,951 (2014 - £288,028).

8. Interest receivable

	2015	2014
	£000	£000
Interest receivable from group companies	394	54
Share of joint ventures' interest receivable	12	7
Other interest receivable	7	25
	413	86

9. Interest payable

	2015	2014
	£000	£000
On bank loans and overdrafts	333	240
On loans from group undertakings	767	1,414
	1,100	1,654

10. Other finance expense

	2015	2014
	£000	£000
Expected return on pension scheme assets	725	702
Interest on pension scheme liabilities	(677)	(675)
	48	27

Notes to the Financial Statements
For the year ended 30 June 2015

11. Taxation

	2015 £000	2014 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,623	1,182
Adjustments in respect of prior periods	44	-
Total current tax	1,667	1,182
Deferred tax		
Current period charge	379	280
Current period charge - Pension	9	-
Adjustment in respect of prior year	14	251
Adjustment in respect of prior year - Pension	(5)	-
Total deferred tax (see note 18)	397	531
Tax on profit on ordinary activities	2,064	1,713

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	9,268	7,679
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	1,923	1,728
Effects of:		
Depreciation for year/period in excess of capital allowances	(393)	(656)
Adjustments to tax charge in respect of prior periods	44	-
Short term timing difference leading to an increase (decrease) in taxation	225	-
Expenses not deductible for tax purposes	94	110
Items charged elsewhere	(226)	-
Current tax charge for the year (see note above)	1,667	1,182

In addition to the above current tax charge for the year recorded within the profit and loss account, a credit of £115,996 (2014 - £113,632) 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 2015

12. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Construction in progress £000	Total £000
Cost				
At 1 July 2014	7,167	81,290	1,723	90,180
Additions	-	-	5,533	5,533
Transfer between classes	36	4,927	(4,963)	-
At 30 June 2015	7,203	86,217	2,293	95,713
Depreciation				
At 1 July 2014	2,387	52,762	-	55,149
Charge for the year	117	2,647	-	2,764
At 30 June 2015	2,504	55,409	-	57,913
Net book value				
At 30 June 2015	4,699	30,808	2,293	37,800
At 30 June 2014	4,780	28,528	1,723	35,031

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

	2015 £000	2014 £000
Plant and machinery	3,101	3,451

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 2015

14. Stocks

	2015 £000	2014 £000
Raw materials	**549**	723
Work in progress	**1,333**	1,529
Finished goods and goods for resale	**3,272**	5,782
	5,154	8,034

15. Debtors

	2015 £000	2014 £000
Trade debtors	**15,719**	12,155
Amounts owed by group undertakings	**7,960**	60
Other debtors	**780**	434
Prepayments and accrued income	**120**	85
	24,579	12,734

16. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Bank loans and overdrafts	**786**	-
Tangible fixed asset purchases	**1,955**	1,541
Trade creditors	**24,800**	15,093
Amounts owed to group undertakings	**663**	5,214
Corporation tax	**589**	271
Other taxation and social security	**148**	138
Accruals and deferred income	**320**	288
	29,261	22,545

17. Creditors: Amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings	**5,957**	6,712

Notes to the Financial Statements
For the year ended 30 June 2015

18. Deferred taxation

Deferred tax excluding that relating to the pension scheme

	2015	2014
	£000	£000
At beginning of year	**2,607**	2,076
Charge for year (P&L)	**379**	280
Adjustment in respect of prior year (P&L)	**14**	251
At end of year	**3,000**	2,607

The provision for deferred taxation is made up as follows:

	2015	2014
	£000	£000
Accelerated capital allowances	**3,000**	2,607

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

	2015	2014
	£000	£000
Deferred tax excluding that relating to the pension disclosure	**3,000**	2,607
Pension liability	**(628)**	(407)
Total	**2,372**	2,200

19. Share capital

	2015	2014
	£000	£000
Authorised, allotted, called up and fully paid		
1,081,000 Ordinary shares shares of £1 each	**1,081**	1,081

Notes to the Financial Statements

For the year ended 30 June 2015

20. Reserves

	Share premium account £000	Profit and loss account £000
At 1 July 2014	**988**	**34,402**
Profit for the year	**-**	**7,204**
Pension reserve movement	**-**	**(1,425)**
Current tax adjustment on pension scheme deficit reduction contributions	**-**	**116**
At 30 June 2015	**988**	**40,297**

The closing balance on the profit and loss account includes a £2,500 thousand (2014 - £1,630 thousand) debit, stated after deferred taxation of £628 thousand (2014 - £407 thousand), in respect of pension scheme liabilities of the company pension scheme.

21. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
Opening shareholders' funds	**36,471**	31,102
Profit for the financial year	**7,204**	5,966
Other recognised gains and losses during the year	**(1,309)**	(597)
Closing shareholders' funds	**42,366**	36,471

22. Contingent liabilities

There were no contingent liabilities at 30 June 2015 or 30 June 2014.

23. Capital commitments

At 30 June 2015 the company had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	**326**	-

Notes to the Financial Statements
For the year ended 30 June 2015

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 .

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	**(17,356)**	(14,966)
Fair value of scheme assets	**14,228**	12,929
Deficit in scheme	**(3,128)**	(2,037)
Related deferred tax asset	**628**	407
Net liability	**(2,500)**	(1,630)

The amounts recognised in profit or loss are as follows:

	2015 £000	2014 £000
Current service cost	**(89)**	(122)
Interest on obligation	**(677)**	(675)
Expected return on scheme assets	**725**	702
Net return	**(41)**	(95)
Total pension (expense)/income recognised in the profit and loss account	**(41)**	(95)

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

	2015 £000	2014 £000
Opening defined benefit obligation	**14,966**	13,904
Current service cost	**89**	122
Interest cost	**677**	675
Actuarial Losses	**1,898**	637
Benefits paid	**(185)**	(250)
Expenses and premiums paid	**(89)**	(122)
Closing defined benefit obligation	**17,356**	14,966

Notes to the Financial Statements

For the year ended 30 June 2015

24. Pension commitments (continued)

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

	2015 £000	2014 £000
Opening fair value of scheme assets	**12,929**	12,055
Expected return on assets	**725**	702
Actuarial gains and (losses)	**248**	(56)
Contributions by employer	**600**	600
Benefits paid	**(185)**	(250)
Expenses and premiums paid	**(89)**	(122)
	14,228	12,929

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £18,166,000 (2014 - £16,516,000).

The company expects to contribute £600,000 to its in the year ending 30 June 2016.

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

	2015	2014
Equities	**20.30 %**	29.80 %
Bonds	**5.30 %**	7.10 %
Cash/other	**74.40 %**	63.10 %

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

	2015	2014
Discount rate at 30 June	**4.00 %**	4.55 %
Future salary increases	**3.30 %**	3.40 %
Future pension increases	**3.30 %**	3.40 %
Inflation assumption	**2.50 %**	2.60 %
Rate of increase in pension in deferment	**2.50 %**	2.50 %

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

	2015	2014
Retiring today		
Males	**22.0**	22.0
Females	**24.3**	24.2
Retiring in 20 years		
Males	**23.4**	23.4
Females	**25.8**	25.7

Notes to the Financial Statements
For the year ended 30 June 2015

24. Pension commitments (continued)

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

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Defined benefit obligation	**(17,356)**	(14,966)	(13,904)	(12,800)	(12,333)
Scheme assets	**14,228**	12,929	12,055	10,308	9,374
Deficit	**(3,128)**	(2,037)	(1,849)	(2,492)	(2,959)
Actuarial (gains) and losses on scheme liabilities	**(1,898)**	(637)	(1,113)	(306)	(225)
Experience adjustments on scheme assets	**248**	(56)	208	(591)	48

25. Operating lease commitments

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£000	£000
Expiry date:		
Within 1 year	**19**	16
Between 2 and 5 years	**129**	40

26. Other financial commitments

Foreign exchange contracts
At 30 June 2015 the company had a commitment to sell €11,558,924 (2014 - €19,236,1551) as part of its foreign currency hedging contracts. The value of these contracts at 30 June 2015 was £1,130,461 (in the money) (2014 - £766,716 (in the money)).
At 30 June 2015 the company had a commitment to sell US$3,256,300 (2014- US$4,270,809). The value of these contracts at 30 June 2015 was £27,498 (out the money) (2014 - £145,863 (in the money)).

Notes to the Financial Statements

For the year ended 30 June 2015

27. Related party transactions

As a wholly owned subsidiary, the company is exempt from the requirements of FRS 8 to disclose the transactions with other members of the group.

28. Post balance sheet events

On 25 October 2015 a final dividend payment was proposed and approved by the board. The dividend was for the amount of £11,000,000 (2014 : £nil).

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