

# AGA RANGEMASTER GROUP LIMITED

## Annual Report and Financial Statements

2 January 2021

Co No. 00354715



## STRATEGIC REPORT

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'FRS 102'. The directors present their strategic report for the year ended 2 January 2021.

### Principal activities

The principal activity continues to be an investment holding company of trading and non-trading subsidiary undertakings, see note 18.

The profit and loss account is set out on page 13. The level of net operating income, profit for year attributable to members of the parent company and cash at bank all increased. The company's financial position was as follows:

	2 January 2021 £000	28 December 2019 £000
<b>Net operating income</b>	<b>1,077</b>	<b>8</b>
<b>Profit / (loss) for year attributable to members of the parent company</b>	<b>2,115</b>	<b>(11,257)</b>
<b>Cash at bank</b>	<b>32,258</b>	<b>139</b>

The net operating income changed from £8k in the previous year to £1,077k for the year ended 2 January 2021 as exchange gains, mainly relating to U.S. dollars, changed from £864k in the year to 28 December 2019 to £1,269k in the year to 2 January 2021 and wages and salaries in the year to 2 January 2021 were lower as there were no remuneration costs in relation to the liquidation of the Grange Group, which were incurred in the year to 28 December 2019.

The profit for the financial year attributable to members of the parent company amounted to £2,115k (28 December 2019: £11,257k loss). Provisions against cost of investments and loan waivers of amounts owed by subsidiary undertakings were lower than the previous year at £1,261k credit (28 December 2019: £12,015k charge).

Cash at bank increased to £32,258k in the year to 2 January 2021 from £139k at 28 December 2019.

The company's key financial performance indicator is the value of the investments held in the underlying subsidiaries – see note 9.

### Principal risks and uncertainties facing the group

The principal business risk and uncertainty facing the company is:

- Impairment of the investments in its subsidiaries

The principal business risks and uncertainties facing the subsidiary undertakings of the company are:

#### Financial risk management

In order to achieve our business objectives, the group must respond effectively to the associated risks. The group has established risk management procedures, involving the identification and monitoring of operational, regulatory, financial and market driven factors, at various levels throughout the business. The group takes a proactive approach to managing risks.

In current economic conditions with major financial imbalances the impact on the group can be sudden and material. This makes awareness and flexibility key to mitigating risks in rapidly changing conditions and important in identifying relevant business opportunities.

#### Covid-19 virus pandemic

The Covid-19 pandemic has, and likely will continue to, impact and pose risks to the group, the nature and extent of which are highly uncertain and unpredictable. The group is monitoring the global outbreak of the Covid-19 pandemic and taking steps to mitigate the risks posed by its spread, including working with its customers, employees, suppliers and other stakeholders. The pandemic is affecting, and is expected to continue to affect, the group's financial results, condition and outlook. Certain elements of the group's business (including its supply chain, distribution systems, production levels and research and development activities) and retail operations have been negatively impacted due to significant portions of the group's workforce being unable to work effectively due to quarantines, government orders and guidance, facility closures, illness, travel restrictions, implementation of precautionary measures and other restrictions. The group also has experienced, and expects to continue to

**STRATEGIC REPORT (continued)****Covid-19 virus pandemic (continued)**

experience, volatility in demand given disruptions in global health, economic and market conditions, consumer behaviour and global operations. If the pandemic continues and conditions worsen, the group expects to experience additional adverse impacts on operational and commercial activities, costs, customer orders and purchases and collections of accounts receivable, which may be material, and the extent of these exposures remains uncertain even if conditions begin to improve. The pandemic has also increased the risk related to the group's ability to ensure business continuity during a potential disruption, including an increased risk of cybersecurity attacks related to the work-from-home environment. Furthermore, the pandemic has impacted and may further impact the broader economies of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates and interest rates, all of which could continue to negatively impact the group. Due to the speed with which the situation is developing, the global breadth of the pandemic's spread and the range of governmental and community reactions, there is uncertainty around the pandemic's ultimate impact and the timing of recovery. Therefore, the pandemic could lead to an extended disruption of economic activity and the impact on the group's results of operations, financial position and cash flows could be material. In addition, the continuation or a resurgence of the pandemic could exacerbate the other risk factors. However, a successful UK vaccination roll-out appears to be helping to mitigate some of these risks.

**Competition / market erosion**

The group operates in a number of competitive markets and as such the activities of our competitors can adversely affect its performance. The competition can be assessed on brand recognition, product features, reliability, quality, price, delivery, lead times and after sales service.

To mitigate these risks:

The group believes it has sufficiently strong brand equity, exceptional product performance, short lead times, timely delivery, competitive pricing and customer service support to withstand competitor activity across its markets.

**General economic conditions**

The group's operations are sensitive to the current uncertain economic conditions due to the Covid-19 pandemic. Our exposure is most notable in the consumer and housing markets in the UK. The UK is growing again but consumer confidence requires a sustained period of rising household incomes to recover to pre-downturn levels. Improved economic conditions would bring benefits given the operational gearing of the group whereas adverse conditions can result in reduced demand for our products. The ongoing implementation of Brexit remains a risk to the group.

To mitigate these risks:

- The group tracks key economic metrics for the markets in which it operates. The data is used to identify early signs of change enabling the group to adjust its strategic plans and modify its investment priorities on a timely basis.
- The group seeks to increase international sales and to reduce individual market dependency.
- The group has implemented the appropriate customs arrangements required to import and export goods between GB and the EU.

**Health, safety and environmental**

The safety of employees, customers and visitors to our premises is of critical importance, particularly during the Covid-19 pandemic. As a business with a range of activities including manufacturing, retail and off site services, the group is exposed to a number of health and safety risks.

The group is committed to adhering to environmental standards set by governments and other organisations. It recognises that an environmental incident could impact on the community in which we operate. Further, the environmental performance and reputation of our products may affect customer demand and the environmental performance of our operations impact profitability and efficiency.

To mitigate these risks:

- We are committed to achieving the highest standards. We conduct regular audits to ensure compliance with relevant laws and regulations. We review both incidents and 'near misses' to establish their root cause.
- We have a health and safety executive committee with a focus on these aspects of the business.
- Accreditation to ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 ensures a framework is in place with clear policies, procedures and audits.
- Streamlined energy and carbon reporting ('SECR') disclosures are included in the AGA Rangemaster Limited accounts.

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**STRATEGIC REPORT (continued)****Health, safety and environmental (continued)**

- Our product development and value engineering programmes help ensure product performance is continuously improved, taking advantage of new and emerging technologies.
- Adequate measures have been in place in light of new government rules for protecting the workforce during the Covid-19 pandemic.

**Legal and regulatory**

Compliance with laws and regulations is fundamental to the group's success. Changes to laws and regulatory requirements remain a source of both risk and opportunity throughout the group. In particular, changing regulations in the EU and the US, in respect of the energy efficiency of products.

To mitigate these risks:

- The group is committed to compliance with relevant laws and regulations and sees this compliance as central to the operations.
- We monitor the legal and regulatory environment within the countries in which we operate and maintain dialogue with relevant regulatory bodies. We take specialist public policy advice, if required. Management are tasked with ensuring that employees are aware of and comply with regulations and laws specific to their roles.
- In respect of product regulations our design team maintains an ongoing development programme to ensure that our product range remains compliant. This programme produces ever improving products which are also a source of opportunity for the group.

**Employees**

The group requires skilled people to enable it to develop fully and exploit new opportunities. A failure to recruit quality personnel in a competitive market and develop existing talent might in time erode our competitive advantage. Further, a failure to plan adequately for succession could also damage the future prospects of the group.

To mitigate these risks:

- The group HR manager oversees the group's people strategy. This includes an annual review of its succession and personal development plans. The board is kept updated on key issues.
- Remuneration packages including fixed, variable and long-term elements and compensation arrangements are regularly benchmarked to ensure the group's remuneration policy remains in line with market practice.

**Supply chain**

The group's manufacturing operations require the timely supply of quality parts and materials.

Supply chain disruptions can adversely impact the group. Such disruptions include the failure of key suppliers and environmental or industrial accidents. Quality issues in the supply chain can also adversely impact the group as faulty or substandard parts are unacceptable.

To mitigate these risks:

- We closely monitor our supply chain and employ a range of strategies to reduce reliance on individual suppliers and minimise the impact of potential supplier failures.
- We conduct supplier audits to assess compliance with the terms of supply agreements including processes, product specifications and manufacturing conditions.

**Foreign currency risk**

The group's main transaction exposures are in respect of products manufactured in one currency region and sold in another currency and exposure through the movement in exchange rates on purchases of raw materials and other goods that are not denominated in sterling. These are mainly imports from Asia and the United States of America ('US') which are denominated in US Dollars and imports of component parts from Europe which are denominated in Euros. To mitigate this, the currency outflows are partly offset by inflows of US Dollars relating to UK exports to US markets and inflows of Euros in respect of UK exports to the eurozone respectively. Forward currency contracts may also be used to reduce exposure to variability of foreign exchange rates.

**Liquidity and funding risk**

The company is part of the Middleby Group and continues to be financed by the Group during the Covid-19 pandemic. The companies within The Middleby Corporation group structure will continue to benefit from the ability to draw funding from the Middleby Corporation multi-currency senior revolving credit facility. On 21 August 2020 The Middleby Corporation completed an amendment to its senior credit facility and issued convertible notes of an aggregate principal amount of \$747.5 million. The amended credit agreement will provide for a senior secured credit facility in an aggregate principal amount of \$3.1 billion,

**STRATEGIC REPORT (continued)****Liquidity and funding risk (continued)**

consisting of (i) a \$2.75 billion multi-currency revolving credit facility and (ii) a \$350 million term loan facility. The maturity date remains unchanged at 31 January 2025.

**Interest rate and cash flow risk**

The group's interest rate risk will benefit from the above ability to draw funding from the Middleby Corporation senior revolving credit facility. Borrowings issued at variable rates are partially offset by cash held at various rates. The group will continue to analyse its interest rate exposure on a regular basis and calculate the impact on the profit and loss for a defined interest rate shift.

**Credit and price risk**

The group monitors closely the availability of trade finance to its customers and suppliers. The ability for the group and its principal operations to maintain trade credit insurance on our customers is monitored on an ongoing basis. Where insurers inform us it is their intention to withdraw or reduce trade credit insurance cover on our customers we undertake detailed analysis on commercial and financial information available and actively manage the terms of trade with any such customers as appropriate. In addition, the ability of our suppliers to maintain credit insurance on the group and its principal operations is an important issue. We have excellent relationships with our suppliers and we continue to work closely with them on a normal commercial basis. There are no significant concentrations of credit risk within the group. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the balance sheet date.

The group's operations are exposed to risk in the price movement of key raw materials and energy. The group's operations manage these risks via naturally hedged fixed price contracts for gas and electricity. With regard to steel there are partially fixed steel supply contracts in place. The group continues to review exposure to any remaining commodity risk and mitigates these risks wherever possible.

**Section 172(1) statement**

This section serves as the section 172 statement and should be read in conjunction with the Strategic Report above on pages 1 to 4. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the group's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the group for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail how the Board engages with stakeholders thus seeking to comply with the requirement to include a statement setting out how the directors have discharged this duty.

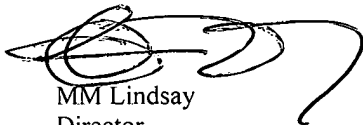
- The directors are fully aware of their responsibilities to promote the success of the group in accordance with section 172 of the Companies Act 2006. To ensure the group was operating in line with good corporate practice, all directors received guidance on the scope and application of section 172. This focused activity allowed the Board to reflect on how the group engages with its stakeholders and opportunities for enhancement in the future.
- Those designated as 'senior management' within the group's companies support the Board with their duties and decision making. The senior management, comprises the senior functional management roles and together is comprised of those with day to day responsibility for interacting with the company's principal stakeholders. It is envisaged that this management structure will further enhance consideration of stakeholder interests in decision making at both Board and management level. The senior management meet regularly to discuss principal decisions in order to maintain the company's reputation for high standards of business conduct.
- The Board regularly reviews the principal stakeholders and how they engage with them. The stakeholder voice is brought into the boardroom through information provided by senior management and also by direct engagement with stakeholders themselves. In the Strategic Report, we set out our principal stakeholders, how and why we engage and detail engagement outcomes. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.
- The Board continues to enhance its methods of engagement with the workforce as described above and with the use of the group's intranet.

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**STRATEGIC REPORT (continued)****Section 172(1) statement (continued)**

- We aim to work responsibly with our suppliers as described above.
- The Board has overseen the implementation of measures to ensure that stakeholder interests are always taken into account. Papers prepared by senior management for Board approval highlight relevant stakeholder considerations to be considered as part of the debate when making decisions. As required, the senior management will provide support to the Board to help ensure that sufficient consideration is given to stakeholder issues particularly during the current Covid-19 pandemic.
- The Board considers the impact of the group's operations on the community and the environment as described above in the Strategic Report.

This report was approved by the Board and signed on its behalf by:



MM Lindsay  
Director  
10 September 2021

**DIRECTORS' REPORT – COMPANY NO. 00354715**

The directors present their report for the year ended 2 January 2021 together with the audited accounts of AGA Rangemaster Group Limited.

**Principal activities**

The principal activity continues to be an investment holding company of trading and non-trading subsidiary undertakings, see note 18.

**1. Results for the year**

The profit and loss account is shown on page 13 of this report. The profit for the year after taxation amounted to £2,115k (28 December 2019: £11,257k loss). During the year the company has continued with an exercise to streamline the group structure. The directors do not recommend payment of a dividend (28 December 2019: £nil).

**2. Review of activity and future developments**

AGA Rangemaster Group Limited is part of the Residential Kitchen Equipment Group within The Middleby Corporation and benefits from the financial support of The Middleby Corporation. It is the intention of the directors that the company will continue to operate as an investment holding company for the foreseeable future. The directors view the results as satisfactory, as are the future prospects of the company. The principal business risk and uncertainty facing the company is the impairment of the investments in its subsidiaries.

During December 2019, a new virus Covid-19 emerged in China and infections started to occur across Asia and latterly the rest of the world in the beginning of 2020. On 11 March 2020, the World Health Organisation ("WHO") declared Covid-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy. The swift actions the subsidiary companies implemented in response to the COVID-19 pandemic to protect its employees, ensure uninterrupted service to its customers, and aggressively adjust their business and cost structure continue to be essential to the business.

**4. Going concern**

A letter of support has been provided by the ultimate parent company, The Middleby Corporation. The directors of the company are part of the integrated management team of The Middleby Corporation and therefore have appropriate sight to rely on the letter of support. Given the ongoing financial support of The Middleby Corporation the directors believe it is appropriate to prepare the accounts on a going concern basis. The companies within The Middleby Corporation group structure will continue to benefit from the ability to draw funding from The Middleby Corporation multi-currency senior revolving credit facility. On 21 August 2020 The Middleby Corporation completed an amendment to its senior credit facility and issued convertible notes of an aggregate principal amount of \$747.5 million. The amended credit agreement will provide for a senior secured credit facility in an aggregate principal amount of \$3.1 billion, consisting of (i) a \$2.75 billion multi-currency revolving credit facility and (ii) a \$350 million term loan facility. The maturity date remains unchanged at 31 January 2025.

At 2 January 2021, The Middleby Corporation was in compliance with all covenants pursuant to its borrowing agreements. The Middleby Corporation has run various scenarios to estimate the impact of the Covid-19 pandemic and continues to believe that its future cash generated from operations, together with its capacity under its credit facility and its cash on hand, will provide adequate resources to meet its working capital needs, cash requirements and maintain compliance with financial covenants in its credit facility for the period to at least 30 September 2022.

The directors continue to consider the implications of the Covid-19 pandemic and the measures taken to control it when assessing the entity's ability to continue as a going concern, in particular, by reassessing the value of investments. No adjustments have been made to the financial statements following this review.

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**DIRECTORS' REPORT (continued)****5. Directors and secretary**

The directors of the company during the year were:-

TJ FitzGerald

MM Lindsay

A Zufia

The secretary of the company during the year was New Sheldon Limited.

**6. Creditor payment policy**

The company is responsible for establishing appropriate policies with regard to the payment of their suppliers. It agrees terms and conditions under which business transactions with suppliers are conducted. It is company policy that, provided a supplier is complying with the relevant terms and conditions, including the prompt and complete submission of all specified documentation, payment will be made in accordance with agreed terms. It is company policy to ensure that suppliers know the terms on which payment will take place when business is agreed. The company had no trade creditors as at 2 January 2021 and 28 December 2019.

**7. Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

**8. Employee participation**

The company has developed individual, mainly informal methods of communication. Employees are provided with information relevant to the negotiations of terms and conditions, rationalisation and development of manufacturing facilities and products. These communications are supplemented by the internal employees' website which gives all employees a detailed explanation of events during the year.

**9. Auditors****Statement of disclosure to the auditors**

The directors who are members of the Board at the time of approving the Directors' Report are listed above. The directors confirm that:

- To the best of the directors' knowledge and belief, there is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Re-appointment of auditors**

In accordance with Section 485 of the Companies Act 2006, Ernst & Young LLP will remain as auditors of the company.

**10. Risks and uncertainties**

In accordance with the Companies Act 2006 section 414c(ii), the disclosure of the principal risks and uncertainties has been included in the Strategic Report.



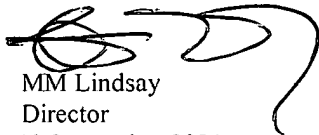
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**DIRECTORS' REPORT (continued)****11. Post balance sheet event**

On 20 January 2021 the entire issued share capital of Fired Earth Limited, a subsidiary of the company, was sold for a consideration of £1. The intercompany receivable of £2,713k at completion was waived and the excess above the £1,011k intercompany receivable at the year end, which has already been provided for, and this amount plus £120k costs of disposal have also been provided for.

The Directors' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

By order of the Board



MM Lindsay  
Director  
10 September 2021

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGA RANGEMASTER GROUP LIMITED**

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## **Opinion**

We have audited the financial statements of AGA Rangemaster Group Limited for the year ended 2 January 2021 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 22, 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 company's affairs as at 2 January 2021 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.

## **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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to at least 30 September 2022.

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 company's ability to continue as a going concern.

## **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 contained within the annual report.

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 there is 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGA RANGEMASTER GROUP LIMITED (CONTINUED)**

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

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

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

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

### **Responsibilities of directors**

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

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

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

### ***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 (FRS 102 and the Companies Act 2006) and compliance with relevant direct and indirect tax regulations in the United Kingdom. In addition, the company has to comply with general data protection regulations.
- We understood how AGA Rangemaster Group Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We reviewed business meeting minutes to identify whether there was any risk of breach of laws and regulations. We understood the controls put in place by management in order to reduce opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by internal team discussion, inquiry of management and those charged with governance. We understood controls put in place in the business by management to reduce the opportunities of fraudulent activities. Through these procedures we determined there to be a risk of management override associated with manipulation of accounts. In relation to management override, we have tested all significant manual journals through transaction testing.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included reviewing business meeting minutes to identify whether there was any risk of breach of laws and regulations and also verified that material transactions are recorded in compliance with FRS 102 and where appropriate the Companies Act 2006, no indication of noncompliance was identified in this regard.

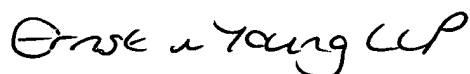
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGA RANGEMASTER GROUP LIMITED (CONTINUED)

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

### Use of our report

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



Jane Barwell (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor,  
Bristol

17 September 2021

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 2 JANUARY 2021**

	Note	2 January 2021 £000	28 December 2019 £000
Net operating income	3	1,077	8
<b>Profit on ordinary activities before exceptional items</b>		<b>1,077</b>	<b>8</b>
Loan waivers / provisions against amounts owed by Group undertakings and against cost of investments	4	1,261	(12,015)
<b>Profit / (loss) on ordinary activities before interest and taxation</b>		<b>2,338</b>	<b>(12,007)</b>
Bank interest receivable and similar income	6	266	704
Interest payable and similar charges	7	(517)	(697)
<b>Profit / (loss) for the year before taxation on ordinary activities</b>		<b>2,087</b>	<b>(12,000)</b>
Tax credit on loss on ordinary activities	8	28	743
<b>Profit / (loss) for the financial year attributable to members of the parent company</b>		<b>2,115</b>	<b>(11,257)</b>

All activities are continuing.

**STATEMENT OF COMPREHENSIVE INCOME / (LOSSES)**

	Note	2 January 2021 £000	28 December 2019 £000
<b>Profit / (loss) for the financial year attributable to members of the parent company</b>		<b>2,115</b>	<b>(11,257)</b>
Actuarial losses	14	(1,598)	(982)
Return on scheme assets in excess of interest income	14	1,281	1,320
Capital redemption movement		-	11
Movement on tax relating to pension scheme liability	8	67	(55)
<b>Total other comprehensive (losses) / income</b>		<b>(250)</b>	<b>294</b>
<b>Total comprehensive income / (losses)</b>		<b>1,865</b>	<b>(10,963)</b>

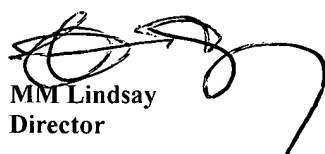
**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 2 JANUARY 2021**

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 29 December 2018	32,739	49,549	75,036	252,247	409,571
Loss for the year	-	-	-	(11,257)	(11,257)
Other comprehensive income	-	-	11	283	294
<b>Total comprehensive loss for the year</b>	-	-	11	(10,974)	(10,963)
<b>At 28 December 2019</b>	<b>32,739</b>	<b>49,549</b>	<b>75,047</b>	<b>241,273</b>	<b>398,608</b>
Profit for the year	-	-	-	2,115	2,115
Other comprehensive loss	-	-	-	(250)	(250)
<b>Total comprehensive income for the year</b>	-	-	-	1,865	1,865
<b>At 2 January 2021</b>	<b>32,739</b>	<b>49,549</b>	<b>75,047</b>	<b>243,138</b>	<b>400,473</b>

**BALANCE SHEET**  
**AS AT 2 JANUARY 2021**

	Note	2 January 2021 £000	28 December 2019 £000
<b>Fixed assets</b>			
Investments	9	491,871	491,871
<b>Total fixed assets</b>		<b>491,871</b>	<b>491,871</b>
<b>Current assets</b>			
Debtors – amounts falling due within one year	10	45,476	58,559
Cash at bank and in hand	11	32,258	139
<b>Total current assets</b>		<b>77,734</b>	<b>58,698</b>
<b>Creditors – amounts falling due within one year</b>			
Creditors	12	(166,755)	(151,614)
<b>Net current liabilities</b>		<b>(89,021)</b>	<b>(92,916)</b>
<b>Total assets less current liabilities</b>		<b>402,850</b>	<b>398,955</b>
Provisions for liabilities	13	(1,822)	-
<b>Net assets excluding pension liability</b>		<b>401,028</b>	<b>398,955</b>
Defined benefit pension liability	14	(555)	(347)
<b>Net assets</b>		<b>400,473</b>	<b>398,608</b>
<b>Capital and reserves</b>			
Called up share capital	16	32,739	32,739
Share premium account	17	49,549	49,549
Capital redemption reserve	17	75,047	75,047
Profit and loss account		243,138	241,273
<b>Equity attributable to owners of the parent company</b>		<b>400,473</b>	<b>398,608</b>

The financial statements on pages 13 to 26 were approved by the Board of Directors on 10 September 2021 and were signed on its behalf by:



MM Lindsay  
Director



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## NOTES TO THE ACCOUNTS

### 1. Accounting policies

#### Statement of compliance

AGA Rangemaster Group Limited is a limited liability company incorporated in England and Wales. The registered office is Meadow Lane, Long Eaton, Nottingham, NG10 2GD, United Kingdom.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 2 January 2021.

#### Basis of preparation

The financial statements of AGA Rangemaster Group Limited were authorised for issue by the Board of Directors on 10 September 2021. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency and rounded to the nearest thousand pounds, except where otherwise stated. The 2019 financial statements were prepared in millions, therefore the 2 January 2021 comparatives have been restated to thousands.

#### Basis of exemption from preparing consolidated financial statements

The exemption from preparing consolidated financial statements in section 401(1)(a) and section 401(1)(b) of the Companies Act 2006 has been applied as the following conditions have been met:

- The company and all of its subsidiary undertakings are included in the consolidated financial statements of a larger group drawn up to the same date by a parent undertaking. CA06 Sec 401(2)(a).
- The reporting parent's consolidated financial statements and annual report is drawn up in accordance with the provisions of the EC 7th or otherwise 'in a manner equivalent' to consolidated accounts and annual reports so drawn up. CA06 Sec 401(2)(b).
- The financial statements are audited by one or more persons authorised to audit accounts under the law under which the parent undertaking which draws them up is established. CA06 Sec 401(2)(c).
- It is noted in the company's individual financial statements that it is exempt from preparing consolidated financial statements.
- The name of the reporting parent is noted in the company's individual financial statements stating:
  - The reporting parent's country of incorporation, if it is incorporated outside the United Kingdom.
  - The address of the reporting parent's principal place of business, where it is unincorporated. CA06 Sec 401(2)(e).
- The company will deliver to the Registrar of Companies within the period allowed for delivering its individual financial statements a copy of the parent's consolidated financial statements and a copy of the parent's annual report together with the audit report thereon. CA06 Sec 401(2)(f).
- The company does not have any securities listed on a regulated market in an EEA member state. CA06 Sec 401(4). For this purpose, 'securities' include shares and stocks, debentures (including debenture stock, loan stock, bonds, certificates of deposit and other similar instruments), warrants and similar instruments and certain certificates and other instruments that confer rights in respect of securities. CA06 Sec 401(6).

The company is also exempt from delivering to the Registrar of Companies consolidated financial statements. CA06 Sec 401(2)(d).

#### Exemptions taken

A consolidated group cash flow statement has been included in The Middleby Corporation consolidated accounts; the company has therefore taken advantage of the exemption under FRS 102 not to produce a cash flow statement.

The company has taken advantage of the exemption permitted by FRS 102 not to disclose any transactions or balances with entities that are wholly owned by The Middleby Corporation.

#### Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates under different assumptions and conditions. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

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**NOTES TO THE ACCOUNTS (continued)****1. Accounting policies (continued)****Critical accounting estimates and judgements (continued)****Going concern**

A letter of support has been provided by the ultimate parent company, The Middleby Corporation. The directors of the AGA Rangemaster Group Limited are part of the integrated management team of The Middleby Corporation and therefore have appropriate sight to rely on the letter of support. Given the ongoing financial support of The Middleby Corporation the directors believe it is appropriate to prepare the accounts on a going concern basis. The companies within The Middleby Corporation group structure will continue to benefit from the ability to draw funding from The Middleby Corporation multi-currency senior revolving credit facility. On 21 August 2020 The Middleby Corporation completed an amendment to its senior credit facility and issued convertible notes of an aggregate principal amount of \$747.5 million. The amended credit agreement will provide for a senior secured credit facility in an aggregate principal amount of \$3.1 billion, consisting of (i) a \$2.75 billion multi-currency revolving credit facility and (ii) a \$350 million term loan facility. The maturity date remains unchanged at 31 January 2025.

At 2 January 2021, The Middleby Corporation was in compliance with all covenants pursuant to its borrowing agreements. The company has run various scenarios to estimate the impact of the Covid-19 pandemic and continues to believe that its future cash generated from operations, together with its capacity under its credit facility and its cash on hand, will provide adequate resources to meet its working capital needs, cash requirements and maintain compliance with financial covenants in its credit facility for the period to at least 30 September 2022.

The directors continue to consider the potential implications of Covid-19 and the measures taken to control it when assessing the entity's ability to continue as a going concern, in particular, by reassessing the value of investments. No adjustments have been made to the financial statements following this review.

**Impairment** – the company determines whether its investments are impaired on an annual basis or more frequently if there are indicators of impairment. Other non-current assets are tested for impairment if there are indicators of impairment. Impairment testing requires an estimate of future cash flows and the choice of a suitable discount rate. Growth rates are based on current GDP forecasts for 2021 and the terminal growth rate is based on 2021 GDP forecasts by country. A suitable discount rate for the AGA Rangemaster Group has been used for the discount rate.

**Retirement benefits and other post-employment benefits** – the valuation of the defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. In determining the appropriate discount rate, the directors consider the interest rates of corporate bonds with an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

**Tax** – provisions for tax accruals require judgements on the interpretation of tax legislation, developments in tax case law and the potential outcomes of tax audits and appeals. In addition, deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which they can be utilised. Judgement is required as to the amount that can be recognised based on the likely amount and timing of future taxable profits together with future tax planning strategies. Deferred tax balances are dependent on management's expectations regarding the manner and timing of recovery of the related assets.

**Cash**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**Interest bearing loans and borrowings**

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest receivable and payable. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability at the balance sheet date.

**Foreign currencies**

The company's functional currency and the presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary

**NOTES TO THE ACCOUNTS (continued)****1. Accounting policies (continued)****Foreign currencies (continued)**

assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The company enters into forward foreign currency contracts to mitigate the exchange risk for certain foreign intercompany receivables. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:EUR.

**Deferred tax**

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:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- 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; and

- 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.

**Investments**

Investments in subsidiaries are held at cost less provisions for impairment and reviewed for impairment annually where there are indicators that suggest the amount might not be recoverable.

**Provisions**

A provision is recognised when the company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain.

**Pensions and other post-retirement benefits**

The company operates the Amari plc Pension and Life Assurance Plan, a defined benefit pension scheme, which requires contributions to be made to separately administered funds.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs. The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost. Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

The company also participates in the AGA Rangemaster Group Pension Scheme, the disclosures for which are shown in the accounts of ARG Corporate Services Limited for the same period.

**NOTES TO THE ACCOUNTS (continued)****2. Directors' remuneration**

TJ FitzGerald, MM Lindsay and A Zufia are paid by The Middleby Corporation. These directors neither received nor waived any emoluments in respect of their services to the company during the year (28 December 2019: £nil). The directors of the company are also, or have been, directors of one or more of the companies in the Group. The directors do not believe that it is practicable to apportion their emoluments between their services as directors of this company and their services as directors of other companies in the Group.

No directors exercised share options in the year (28 December 2019: nil). There were no short term employee benefits owed at 2 January 2021.

The accrued pension of the highest paid director as at 2 January 2021 was £nil (28 December 2019: £nil). There was no accrued lump sum at 2 January 2021 (28 December 2019: £nil).

**3. Net operating income**

The net operating income for the year is stated after charging / (crediting):

	2 January 2021	28 December 2019
	£000	£000
Recharge of remuneration and pension costs	(1,032)	(920)
Foreign exchange differences	(1,269)	(864)
Auditors' remuneration		
- Fees payable to auditors for the audit of the financial statements	74	74
- Fees payable by subsidiary companies	151	151

**4. Loan waivers / provisions against amounts owed by Group undertakings and against cost of investments and exceptional items**

In 2020 the Fired Earth Limited intercompany receivable on completion of the sale of the company was fully provided for together with related disposal costs. This is net of an intercompany receivable provision reversal due to part repayment.

In 2019, in respect of Fired Earth Limited, a loan was waived and the provision against the cost of investment was increased to cover 100% of its' value due to reduced trading performance. The additional loans that were made in the year to Grange Eastern Europe were also waived.

**5. Employee information**

	2 January 2021	28 December 2019
<b>Average number of employees (including directors)</b>		
Administration	10	10

	2 January 2021	28 December 2019
	£000	£000
<b>Total staff costs (including directors)</b>		
Wages and salaries	858	881
Termination costs	-	338
Social security	122	284
Pension costs	108	75
<b>Total staff costs</b>	1,088	1,578

The pension costs related to the defined benefit scheme are shown in note 14. Directors' remuneration is disclosed in note 2.

**NOTES TO THE ACCOUNTS (continued)****6. Bank interest receivable and similar income**

	2 January 2021	28 December 2019
	£000	£000
Bank interest receivable	71	50
Intra group interest receivable	195	654
<b>Bank interest receivable and similar income</b>	<b>266</b>	<b>704</b>

**7. Interest payable and similar charges**

	2 January 2021	28 December 2019
	£000	£000
Bank loan and overdrafts	2	73
Intra group interest payable	515	624
<b>Interest payable and similar charges</b>	<b>517</b>	<b>697</b>

**8. Tax**

	2 January 2021	28 December 2019
	£000	£000
<b>Tax on loss on ordinary activities</b>	<b>£000</b>	<b>£000</b>
Current tax:		
UK corporation tax credit at 19% (28 December 2019: 19%)	163	5
Dividend withholding tax	(11)	(636)
Adjustments in respect of prior years	(180)	(112)
	(28)	(743)
Deferred tax:		
Origination and reversal of timing differences	-	-
	-	-
<b>Tax credit on loss on ordinary activities</b>	<b>(28)</b>	<b>(743)</b>
<b>Tax included in other comprehensive income / (losses)</b>	<b>£000</b>	<b>£000</b>
Corporation tax credit	(20)	(27)
Deferred tax (credit) / charge	(47)	82
	(67)	55

**Factors affecting the total tax credit**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (28 December 2019: 19%). The differences are reconciled below:

	2 January 2021	28 December 2019
	£000	£000
<b>Profit / (loss) on ordinary activities before tax</b>	<b>2,087</b>	<b>(12,000)</b>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (28 December 2019: 19%)	397	(2,280)
Non-taxable income	(2)	(17)
Non-deductible loan waivers and loan impairments	(240)	(691)
Non-deductible impairment of investments	-	2,974
Expenses not deductible for tax purposes	8	19
Refund of foreign tax withheld on dividends received from foreign subsidiaries	(11)	(636)
Adjustments in respect of prior years	(180)	(112)
<b>Total tax credit</b>	<b>(28)</b>	<b>(743)</b>

An increase in the UK Corporation tax rate to 19% from 1 April 2020 was substantively enacted on 17 March 2020. Accordingly, this rate has been applied in the measurement of deferred tax assets and liabilities at 2 January 2021. A further increase in the UK Corporation tax rate to 25% from 1 April 2023 was substantively enacted on 24 May 2021. As this tax rate had not been substantively enacted at the balance sheet date it has not been applied in the measurement of deferred tax assets and liabilities as at 2 January 2021. The effect of this change in tax rate would be an increase in the deferred tax asset as at 2 January 2021 of £33,300.

**NOTES TO THE ACCOUNTS (continued)****9. Investments**

	Cost of shares £000	Provisions £000	Net book value £000
<b>Interest in subsidiaries</b>			
At beginning of year	587,703	(95,832)	491,871
Additional impairment provision	-	-	-
Disposals	-	-	-
<b>At end of year</b>	<b>587,703</b>	<b>(95,832)</b>	<b>491,871</b>

During 2019 the provision against the cost of investment in Fired Earth Limited was increased to cover 100% of its' value due to reduced trading performance, Fired Earth Limited was sold on 20 January 2021.

A list of subsidiaries is shown in note 18.

**10. Debtors**

	2 January 2021 £000	28 December 2019 £000
<b>Amounts falling due within one year</b>		
Amounts owed by Group undertakings	44,758	57,929
Deferred tax asset (note 15)	105	58
Corporation tax	552	514
Other receivables	61	58
<b>Debtors falling due within one year</b>	<b>45,476</b>	<b>58,559</b>

Various amounts owed by Group undertakings were repaid during 2020.

**11. Cash**

	2 January 2021 £000	28 December 2019 £000
Short-term bank deposits	32,258	139
<b>Cash</b>	<b>32,258</b>	<b>139</b>

**12. Creditors**

	2 January 2021 £000	28 December 2019 £000
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	166,293	151,135
Accruals and deferred income	282	288
Other payables	180	191
<b>Total creditors falling due within one year</b>	<b>166,755</b>	<b>151,614</b>

**13. Provisions for liabilities**

	Disposal provision £000
Charge in year – profit and loss account	1,822
<b>At end of year</b>	<b>1,822</b>

On 20 January 2021 the entire issued share capital of Fired Earth Limited, a subsidiary of the company, was sold for a consideration of £1. The intercompany receivable of £2,713k at completion was waived and the excess above the £1,011k intercompany receivable at the year end, which has already been provided for, and this amount plus £120k costs of disposal have been provided for.

**NOTES TO THE ACCOUNTS (continued)****14. Pensions**

The company participates in the AGA Rangemaster Group Pension Scheme, which covers the majority of UK employees. This scheme includes members on a defined benefit basis of pension provision and members on a defined contribution basis of pension provision and the assets of the schemes are held in funds separate from the Group's assets. The Group Scheme is closed to new entrants but existing members will continue to accrue benefits while in pensionable service up to 5 April 2021 from when the Scheme will close to future accrual. The FRS 102 disclosures of the AGA Rangemaster Group Pension Scheme as at 2 January 2021 are shown in the accounts of ARG Corporate Services Limited. The deficit of the AGA Rangemaster Group Pension Scheme as at 2 January 2021 is £325,944k (28 December 2019: £205,217k) as shown in the accounts of ARG Corporate Services Limited.

AGA Rangemaster Group Limited cannot identify its share of the underlying assets and liabilities of the company scheme on a reasonable and consistent basis. The company is also joint and severally liable for other employees in the pension scheme, who are not employed by the company.

Contributions of £165k (28 December 2019: £164k) for the company's proportion of the contributions towards defined benefit pension scheme, were made in the year, which form part of the full disclosures shown in the accounts of ARG Corporate Services Limited as at 2 January 2021.

The company operates the Amari plc Pension and Life Assurance Plan ('Amari Plan') which is a defined benefit scheme in nature and provides benefits linked to years of service in the plan. The Amari Plan is frozen and no further benefits accrue to the members of the scheme beyond the date it was frozen. Members will receive or continue to receive payments for the benefits earned on or prior to this date upon reaching retirement age. The assets are held in trust funds separate from the company's assets. The latest full triennial actuarial valuation was carried out by Aon Hewitt Limited, independent consulting actuaries, as at 1 August 2017 using the projected unit credit method and showed an actuarial deficit of £1,200k. The defined benefit obligation at 2 January 2021 has been determined by rolling forward the results of the most recent valuation, allowing for known movements (such as the payment of benefits), adjusting for the difference in actuarial assumptions and making allowance for the impact of GMP equalisation.

Under the deficit recovery plan put in place on completion of the last full triennial actuarial valuation of the Amari Plan as at 1 August 2017, the following deficiency contributions are payable into the plan: £13,708 per month until January 2023 inclusive. The employer contributions to the scheme for the year ending 1 January 2022 are expected to be £165k (2 January 2021: £165k).

The financial assumptions used to calculate the Amari Plan's defined benefit obligation were:

	<b>2 January 2021</b>	<b>28 December 2019</b>
Rate of increase in pensionable salaries	<b>0.00</b>	0.00
Rate of increase of pensions in payment	<b>1.85</b>	1.90
Discount rate	<b>1.20</b>	2.00
Inflation rate – in payment	<b>2.85</b>	2.95
Inflation rate – in deferment	<b>2.00</b>	2.05
Mortality table	<b>101% of S2PXA normal tables</b>	101% of S2PXA normal tables
Future improvements	<b>CMI 2019 with 1.25% long term trend and smoothing factor of 7.0</b>	CMI 2018 with 1.25% long term trend and smoothing factor of 7.0

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the applicable currency with at least 'AA' rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases and pension increases are based on expected future inflation rates for the applicable country. The mortality rate is based on publicly available mortality tables for the applicable country.

**NOTES TO THE ACCOUNTS (continued)****14. Pensions (continued)**

The assets of the scheme were invested in the following classes of securities (none of which were securities of the company):

		2 January 2021		28 December 2019
	%	£000	%	£000
<b>Assets and obligations:</b>				
UK equities securities	8	1,280	9	1,397
Overseas equities securities	16	2,560	17	2,452
Unquoted and private equities securities	-	1	-	-
Debt securities	72	11,336	69	10,182
Real estate / property	-	38	1	105
Cash and cash equivalents	4	669	4	588
Other	-	3	-	-
Fair value of scheme assets	100	15,887	100	14,724
Present value of funded obligation		(16,442)		(15,071)
<b>Net deficit in the scheme</b>		<b>(555)</b>		<b>(347)</b>

	2 January 2021	28 December 2019
	£000	£000
<b>The amounts recognised in the profit and loss are as follows:</b>		
Current service cost – defined benefit	-	-
Past service cost (due to GMP equalisation)	50	-
Net interest cost on net defined benefit obligation	6	21
<b>Pension charge included in the profit and loss</b>	<b>56</b>	<b>21</b>

	2 January 2021	28 December 2019
	£000	£000
<b>Amounts recognised in other comprehensive income:</b>		
Actuarial losses	1,598	982
Return on scheme assets in excess of interest income	(1,281)	(1,320)
<b>Re-measurement losses / (gains) recognised in other comprehensive income</b>	<b>317</b>	<b>(338)</b>

	2 January 2021	28 December 2019
	£000	£000
<b>Movement in net deficit during the year:</b>		
Net deficit of the scheme at beginning of year	(347)	(828)
Net pension charge	(56)	(21)
Company contributions	165	164
Re-measurement (losses) / gains recognised in other comprehensive income	(317)	338
<b>Net deficit of the scheme at end of year</b>	<b>(555)</b>	<b>(347)</b>

	2 January 2021	28 December 2019
	£000	£000
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Present value of obligation at beginning of year	15,071	14,344
Past service cost	50	-
Interest costs on defined benefit obligation	296	386
Actuarial losses	1,598	982
Benefit payments from scheme assets	(573)	(641)
<b>Present value of obligation at end of year</b>	<b>16,442</b>	<b>15,071</b>

	2 January 2021	28 December 2019
	£000	£000
<b>Changes in the fair value of scheme assets are as follows:</b>		
Fair value of scheme assets at beginning of year	14,724	13,516
Interest income on scheme assets	290	365
Return on scheme assets in excess of interest income	1,281	1,320
Company contributions	165	164
Benefit payments	(573)	(641)
<b>Fair value of scheme assets at end of year</b>	<b>15,887</b>	<b>14,724</b>



**NOTES TO THE ACCOUNTS (continued)****15. Deferred tax**

<b>Movement in deferred tax asset</b>	<b>Pension £000</b>
At beginning of year	58
Credit in year – profit and loss account	-
Charge in year – other comprehensive income	47
<b>At end of year</b>	<b>105</b>

<b>Deferred tax asset</b>	<b>2 January 2021 £000</b>	<b>28 December 2019 £000</b>
Pension	105	58
<b>Deferred tax asset</b>	<b>105</b>	<b>58</b>

At 2 January 2021 the company had no unused tax losses (28 December 2019: £nil).

The company expects to make pension contributions of £165k during 2021 and therefore the deferred tax asset expected to reverse in 2021 is £31k.

**16. Called up share capital and share based payments**

<b>Ordinary shares of 46.875p each</b>	<b>2 January 2021</b>		<b>28 December 2019</b>	
<b>Allotted, called up and fully paid</b>	<b>000</b>	<b>£000</b>	<b>000</b>	<b>£000</b>
At beginning of year	69,844	32,739	69,844	32,739
Movement in year	-	-	-	-
<b>At end of year</b>	<b>69,844</b>	<b>32,739</b>	<b>69,844</b>	<b>32,739</b>

All of the ordinary shares rank equally with respect to voting rights and rights to receive ordinary and special dividends. There are no restrictions on the rights to transfer shares.

**17. Reserves****Share premium account**

This reserve records the amount above the nominal value received for shares sold less transaction costs.

**Capital redemption reserve**

This reserve records the amounts that have arisen through share buy-backs and share consolidations in previous years.

## NOTES TO THE ACCOUNTS (continued)

## 18. Subsidiaries

The following is a list of the company's subsidiaries at 2 January 2021. AGA Rangemaster Group Limited holds 100% of the ordinary share capital and voting rights unless otherwise stated. The registered office of the UK companies is Meadow Lane, Long Eaton, Nottingham, NG10 2DG.

**AGA RANGEMASTER LIMITED - 99.9% owned by AGA-Rayburn Limited, trading in the UK principally under the trade and business names of:**

AGA  
AGA COOKSHOP  
FALCON  
LEISURE SINKS  
MERCURY  
RANGEMASTER  
RAYBURN  
REDFYRE

**Overseas trade and business names:**

AGA HOME INC (USA) - holding company  
AGA MARVEL (USA) - 100% owned by AGA Home INC  
AGA RANGEMASTER France (branch)  
FURDO LIMITED (Ireland) - 100% owned by Headland UK Limited

GRANGE SAS (France) – in liquidation

**Other dormant UK companies unless otherwise stated:**

AFE ONLINE LIMITED  
AFG AGA LIMITED \*- dissolved March 2021  
AFG COOK LIMITED  
AFG MANAGEMENT LTD - dissolved 10 Sept. 2019  
AFG MANUFACTURING LIMITED \*  
AFG NOMINEES LIMITED \*  
AFG PROPERTY MANAGEMENT LIMITED  
AFG SHAKER LIMITED - dissolved March 2021  
AFG U.K. LIMITED  
AGA COOKERS LIMITED  
AGA CARE LIMITED  
AGA CONSUMER PRODUCTS LIMITED  
AGA LIVING LIMITED  
AGA RANGEMASTER PROPERTIES LIMITED  
AGA-RAYBURN LIMITED - holding company

AGACOOKSHOP LIMITED \*  
AGALINKS LIMITED \*  
ARG CORPORATE SERVICES LIMITED - head office  
ARG ESTATES LIMITED - dissolved 10 Sept. 2019  
ARG PENSIONS (1974) LIMITED  
ARG TRUSTEES (1970) LIMITED  
ASTEC HOLDINGS LIMITED \*  
BRICKHOUSE DUDLEY LIMITED \*  
C.J.A. STAINLESS STEELS LTD - dissolved 10 Sept. 2019  
CASHMORE GENERAL STEELS LIMITED  
COMMINGLED TRUSTEES (ST HELENS) LIMITED  
CRANMORE PROPERTY LTD - dissolved 10 Sept. 2019  
CRYOMAGNETIC SYSTEMS LIMITED +  
FAIRFIELD ROAD LIMITED  
FIRED EARTH LTD - trading: tiles, home fashions – sold

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GLENDAL ENGINEERING LIMITED

\* 100% owned by The Coalbrookdale Company Limited unless otherwise stated

+ 100% owned by Thornton Group Holdings Limited

HEARTLAND APPLIANCES INC (Canada) - 100% owned by 680088 N. INC

LA CORNUE SAS (France) - 100% owned by LC Holdings SAS  
LC HOLDINGS SAS (France)

NORTHLAND CORPORATION (USA) - 100% owned by AGA Home INC  
WATERFORD STANLEY LIMITED (Ireland) - 100% owned by Furdo Limited

GRANGE LONDON BOUTIQUE LIMITED - dissolved 10 Sept. 2019

HEADLAND UK LTD – holding company

LEAVLITE LIMITED

LEISURE CASPIAN LIMITED

LEISURE LEXIN LIMITED \*

LEISURE SINKS LIMITED

LEISURE SWINK LIMITED - dissolved March 2021

MERCURY APPLIANCES LIMITED

MOXLEY ROAD LIMITED

NEW SHELDON LIMITED

PLANETARY ROAD LIMITED \*

RANGEMASTER CLASSIC LIMITED \*

RANGEMASTER COOKSHOP LIMITED

RANGEMASTER LIMITED

RANGEMASTER PRODUCTS LIMITED

RAYBURN COOKING & HEATING APPLIANCES LIMITED - holding company \* 99.9% - has irredeemable preference shares

REDFYRE COOKERS LIMITED

SIDNEY FLAVEL & CO LIMITED

SOUTHERN ALUMINIUM SUPPLIES LIMITED

STOURBRIDGE STEEL (1991) LIMITED \*

SWINK LIMITED

TAYLOR PALLISTER LIMITED

TEST LANE LIMITED - dissolved March 2021

THE AGA SHOP LIMITED

THE COALBROOKDALE COMPANY LIMITED

THOR CRYOGENICS LIMITED +

THORNTON GROUP HOLDINGS LIMITED - 92%

U.H.V. LIMITED - dissolved 10 Sept. 2019

WHOLESALE CATERING EQUIPMENT LIMITED

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**NOTES TO THE ACCOUNTS (continued)****19. Contingent liabilities and commitments**

The company has contingent liabilities for certain potential claims from third parties in relation to divested businesses. On the basis of information presently available to them, the directors believe that no material claims are likely to arise for which provision has not been made in these accounts. The company has given a number of financial and performance guarantees on behalf of its subsidiaries and the relevant liabilities are included in the balance sheet.

At 2 January 2021 the company has no outstanding bank guarantees.

The company has no other material contingent liabilities arising in the normal course of business at 2 January 2021 (28 December 2019: £nil). The company had no capital commitments (28 December 2019: £nil).

**20. Related party transactions**

The company has taken advantage of the exemption permitted by FRS 102 not to disclose any transactions or balances with entities that are wholly owned by The Middleby Corporation.

**21. Ultimate holding company**

The company's immediate parent company is Middleby UK Residential Holding Limited, incorporated and registered in England and Wales. The smallest and largest group of which the company is a member and for which group financial statements are prepared is The Middleby Corporation, incorporated and registered in the state of Delaware, USA.

The company's ultimate holding company and controlling party is The Middleby Corporation. Copies of the consolidated financial statements of The Middleby Corporation can be obtained from the company at 1400 Toastmaster Drive, Elgin, Illinois 60120, USA.

**22. Non-adjusting post balance sheet event**

On 20 January 2021 the entire issued share capital of Fired Earth Limited, a subsidiary of the company, was sold for a consideration of £1. The intercompany receivable of £2,713k at completion was waived and the excess above the £1,011k intercompany receivable at the year end, which has already been provided for, and this amount plus £120k costs of disposal have also been provided for.

No other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the company, the results of those operations or the affairs of the company.