AGA RANGEMASTER GROUP LIMITED

Annual Report and Financial Statements

1 January 2022

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 1 January 2022.

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 and cash at bank decreased in the year, although the profit for year attributable to members of the parent company increased. The company's financial position was as follows:

	1 January 2022	2 January 2021
	£000	£000
Net operating (loss) / income	**(196)**	1,077
Profit for year attributable to members of the parent company	**3,260**	2,115
Cash at bank	**3,035**	32,258

The net operating income changed from £1,077k in the previous year to a loss of £196k for the year ended 1 January 2022 as exchange gains, mainly relating to U.S. dollars, reduced from £1,269k in the year to 2 January 2021 to £5k in the year to 1 January 2022.

The profit for the financial year attributable to members of the parent company amounted to £3,035k (2 January 2021: £2,115k). Loan waivers / provisions against amounts owed by Group undertakings and against cost of investments were higher than the previous year at £3,342k credit (2 January 2021: £1,261k credit).

Cash at bank decreased to £3,035k in the year to 1 January 2022 from £32,258k at 2 January 2021 as cash was loaned to Group undertakings.

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

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 group 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, ISO 14001, ISO 45001 and BS OHSAS 18001 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.

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.

• We recognise the importance that a reduction in CO2e has on our planet and are committed to identifying opportunities to minimise our emissions contribution by challenging our current methods of manufacturing and implementing environmentally friendly sustainable solutions.

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

STRATEGIC REPORT (continued)

Liquidity and funding risk (continued)

Middleby Corporation multi-currency senior revolving credit facility. On 21 October 2021, the company entered into an amended and restated five-year, $4.5 billion multi-currency senior secured credit agreement (the "Credit Facility") that amends and restates the company's pre-existing $3.1 billion credit facility which had an original maturity of 31 January 2025. The Credit Facility consists of (i) a $1 billion term loan facility, (ii) a $750 million delayed draw term loan facility, and (iii) a $2.75 billion multi-currency revolving credit facility. The Credit Facility matures on 21 October 2026, with the potential to extend the maturity date in one year increments with the consent of the extending lenders.

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.

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
12 September 2022

DIRECTORS' REPORT – COMPANY NO. 00354715

The directors present their report for the year ended 1 January 2022 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 £3,260k (2 January 2021: £2,115k). During the year the company has continued with an exercise to streamline the group structure. The directors do not recommend payment of a dividend (2 January 2021: £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.

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. A provision of £1,822k was made at 2 January 2021 to cover the excess above the intercompany receivable of £2,713k which was waived at completion and the £1,011k intercompany receivable at 2 January 2021, plus £120k costs of disposal.

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 their employees, ensure uninterrupted service to their customers, and aggressively adjust their business and cost structure continue to be essential to the business.

3. Going concern

A letter of support has been provided by the ultimate parent company, The Middleby Corporation through to 30 September 2023. 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 October 2021, the company entered into an amended and restated five-year, $4.5 billion multi-currency senior secured credit agreement (the "Credit Facility") that amends and restates the company's pre-existing $3.1 billion credit facility which had an original maturity of 31 January 2025. The Credit Facility consists of (i) a $1 billion term loan facility, (ii) a $750 million delayed draw term loan facility, and (iii) a $2.75 billion multi-currency revolving credit facility. The Credit Facility matures on 21 October 2026, with the potential to extend the maturity date in one year increments with the consent of the extending lenders.

At 1 January 2022, 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 30 September 2023.

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.

DIRECTORS' REPORT (continued)

4. 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.

5. 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 trade creditors of £47k as at 1 January 2022 which were settled in 10 days (2 January 2021 nil).

6. 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.

7. 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.

8. 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.

9. 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.

DIRECTORS' REPORT (continued)

10. Non-adjusting post balance sheet event

The emergence of the war in Ukraine and sanctions on Russia and Belarus is a non-adjusting event since the invasion occurred during February 2022.

The directors have assessed the impact on the financial statements as of 1 January 2022 with particular attention given to the potential impairment of investments and have concluded the war to be a non-adjusting event.

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.

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
12 September 2022

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

Opinion

We have audited the financial statements of AGA Rangemaster Group Limited for the year ended 1 January 2022 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 1 January 2022 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 30 September 2023.

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

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: or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.

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.

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.

Ernst & Young LLP

Jane Barwell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor,
Bristol
27 September 2022

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 1 JANUARY 2022

	Note	1 January 2022 £000	2 January 2021 £000
Net operating (loss) / income	3	(196)	1,077
(Loss) / profit on ordinary activities before exceptional items		(196)	1,077
Loan waivers / provisions against amounts owed by Group undertakings and against cost of investments	4	3,342	1,261
Profit on ordinary activities before interest and taxation		3,146	2,338
Bank interest receivable and similar income	6	288	266
Interest payable and similar charges	7	(424)	(517)
Profit for the year before taxation on ordinary activities		3,010	2,087
Tax credit on profit on ordinary activities	8	250	28
Profit for the financial year attributable to members of the parent company		3,260	2,115

All activities are continuing.

STATEMENT OF COMPREHENSIVE INCOME / (LOSSES)

	Note	1 January 2022 £000	2 January 2021 £000
Profit for the financial year attributable to members of the parent company		3,260	2,115
Actuarial gains / (losses)	14	2,320	(1,598)
Return on scheme assets (below) / in excess of interest income	14	(396)	1,281
Capital redemption movement		-	-
Movement on tax relating to pension scheme liability	8	(457)	67
Total other comprehensive income / (losses)		1,467	(250)
Total comprehensive income		4,727	1,865

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 1 JANUARY 2022

	Share capital	Share premium	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 28 December 2019	32,739	49,549	75,047	241,273	**398,608**
Profit for the year	-	-	-	2,115	**2,115**
Other comprehensive loss	-	-	-	(250)	**(250)**
Total comprehensive income for the year	-	-	-	1,865	**1,865**
At 2 January 2021	32,739	49,549	75,047	243,138	**400,473**
Profit for the year	-	-	-	3,260	**3,260**
Other comprehensive income	-	-	-	1,467	**1,467**
Total comprehensive income for the year	-	-	-	4,727	**4,727**
At 1 January 2022	**32,739**	**49,549**	**75,047**	**247,865**	**405,200**

BALANCE SHEET
AS AT 1 JANUARY 2022

	Note	1 January 2022 £000	2 January 2021 £000
Fixed assets			
Investments	9	**491,815**	491,871
Total fixed assets		**491,815**	491,871
Current assets			
Debtors – amounts falling due within one year	10	**86,508**	45,476
Cash at bank and in hand	11	**3,035**	32,258
Total current assets		**89,543**	77,734
Creditors – amounts falling due within one year			
Creditors	12	**(177,089)**	(166,755)
Net current liabilities		**(87,546)**	(89,021)
Total assets less current liabilities		**404,269**	402,850
Provisions for liabilities	13	**(597)**	(1,822)
Net assets excluding pension asset / (liability)		**403,672**	401,028
Defined benefit pension asset / (liability)	14	**1,528**	(555)
Net assets		**405,200**	400,473
Capital and reserves			
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		**247,865**	243,138
Equity attributable to owners of the parent company		**405,200**	400,473

The financial statements on pages 13 to 26 were approved by the Board of Directors on 12 September 2022 and were signed on its behalf by:

MM Lindsay
Director

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 1 January 2022.

Basis of preparation
The financial statements of AGA Rangemaster Group Limited were authorised for issue by the Board of Directors on 12 September 2022. 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.

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.

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 through to 30 September 2023. 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 October 2021, the company entered into an amended and restated five-year, $4.5 billion multi-currency senior secured credit agreement (the "Credit Facility") that amends and restates the company's pre-existing $3.1 billion credit facility which had an original maturity of 31 January 2025. The Credit Facility consists of (i) a $1 billion term loan facility, (ii) a $750 million delayed draw term loan facility, and (iii) a $2.75 billion multi-currency revolving credit facility. The Credit Facility matures on 21 October 2026, with the potential to extend the maturity date in one year increments with the consent of the extending lenders.

At 1 January 2022, 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 30 September 2023.

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.

NOTES TO THE ACCOUNTS (continued)

1. Accounting policies (continued)

Foreign currencies (continued)

Monetary 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 (2 January 2021: £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 (2 January 2021: nil). There were no short term employee benefits owed at 1 January 2022.

The accrued pension of the highest paid director as at 1 January 2022 was £nil (2 January 2021: £nil). There was no accrued lump sum at 1 January 2022 (2 January 2021: £nil).

3. Net operating (loss) / income

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

	1 January 2022	2 January 2021
	£000	£000
Recharge of remuneration and pension costs	**(1,187)**	(1,032)
Foreign exchange differences	**(5)**	(1,269)
Auditors' remuneration		
- Fees payable to auditors for the audit of the financial statements	**74**	74
- Fees payable by subsidiary companies	**157**	151

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

In 2021 there was an intercompany receivable provision reversal due to part repayment which was net of further Fired Earth Limited related disposal costs.

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 was net of an intercompany receivable provision reversal due to part repayment.

5. Employee information

	1 January 2022	2 January 2021
Average number of employees (including directors)		
Administration	**10**	10

	1 January 2022	2 January 2021
Total staff costs (including directors)	**£000**	£000
Wages and salaries	**999**	858
Social security	**150**	122
Pension costs	**43**	108
Total staff costs	**1,192**	1,088

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

	1 January 2022	2 January 2021
	£000	£000
Bank interest receivable	35	71
Intra group interest receivable	253	195
Bank interest receivable and similar income	**288**	266

7. Interest payable and similar charges

	1 January 2022	2 January 2021
	£000	£000
Bank loan and overdrafts	-	2
Intra group interest payable	424	515
Interest payable and similar charges	**424**	517

8. Tax

	1 January 2022	2 January 2021
Tax on profit on ordinary activities	£000	£000
Current tax:		
UK corporation tax credit at 19% (2 January 2021: 19%)	(83)	163
Dividend withholding tax	3	(11)
Adjustments in respect of prior years	(170)	(180)
	(250)	(28)
Deferred tax:		
Origination and reversal of timing differences	-	-
	-	-
Tax credit on profit on ordinary activities	(250)	(28)

Tax included in other comprehensive income / (losses)	£000	£000
Corporation tax credit	(30)	(20)
Deferred tax charge / (credit)	487	(47)
	457	(67)

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% (2 January 2021: 19%). The differences are reconciled below:

	1 January 2022	2 January 2021
	£000	£000
Profit on ordinary activities before tax	3,010	2,087
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2 January 2021:19%)	572	397
Non-taxable income	-	(2)
Non-deductible loan waivers and loan impairments	(733)	(240)
Non-deductible impairment of investments	10	-
Expenses not deductible for tax purposes	68	8
Refund of foreign tax withheld on dividends received from foreign subsidiaries	3	(11)
Adjustments in respect of prior years	(170)	(180)
Total tax credit	(250)	(28)

An increase in the UK Corporation tax rate to 25% from 1 April 2023 was substantively enacted on 24 May 2021. Accordingly, this rate has been applied in the measurement of deferred tax assets and liabilities at 1 January 2022.

NOTES TO THE ACCOUNTS (continued)

9. Investments

	Cost of shares	Provisions	Net book value
	£000	£000	£000
Interest in subsidiaries			
At beginning of year	587,703	(95,832)	**491,871**
Additional impairment provision	-	-	-
Disposals	(22,997)	22,941	**(56)**
At end of year	**564,706**	**(72,891)**	**491,815**

Fired Earth Limited was sold on 20 January 2021 for £1, the cost of investment was fully provided in 2019. Four other dormant subsidiaries were dissolved in the year to 1 January 2022. A list of subsidiaries is shown in note 18.

10. Debtors

	1 January 2022	2 January 2021
Amounts falling due within one year	**£000**	£000
Amounts owed by Group undertakings	**85,618**	44,758
Deferred tax asset (note 15)	**-**	105
Corporation tax	**835**	552
Other receivables	**55**	61
Debtors falling due within one year	**86,508**	45,476

Amounts owed by Group undertakings were increased during 2021, these have been partly repaid in quarter one 2022.

11. Cash

	1 January 2022	2 January 2021
	£000	£000
Short-term bank deposits	**3,035**	32,258
Cash	**3,035**	32,258

12. Creditors

	1 January 2022	2 January 2021
Amounts falling due within one year	**£000**	£000
Amounts owed to Group undertakings	**176,744**	166,293
Trade payables	**47**	-
Accruals and deferred income	**118**	282
Other payables	**180**	180
Total creditors falling due within one year	**177,089**	166,755

13. Provisions for liabilities

	Disposal provision	Deferred tax (asset) / liability	Total
	£000	£000	£000
At beginning of year	1,822	(105)	1,717
Utilised in year	(1,947)	-	(1,947)
Charged to other comprehensive income	-	487	487
Charge in year – profit and loss account	340	-	340
At end of year	**215**	**382**	**597**

The disposal provision relates to remaining costs associated with the Fired Earth Limited disposal, whilst the majority of the provision should be utilised in the next two accounting periods the exact timing is unknown.

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 comprises members on a defined benefit 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 in pensionable service accrued benefits up to 5 April 2021 from when the Scheme was closed to future accrual. The FRS 102 disclosures of the AGA Rangemaster Group Pension Scheme as at 1 January 2022 are shown in the accounts of ARG Corporate Services Limited. The deficit of the AGA Rangemaster Group Pension Scheme as at 1 January 2022 is £150,655k (2 January 2021: £325,944k) 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 £9k (2 January 2021 restated: £38k) 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 1 January 2022.

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 and pensionable salary 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 XPS Pensions Consulting Limited, independent consulting actuaries, as at 1 August 2020 using the defined accrued benefit method and showed an actuarial deficit of £1,487k. The defined benefit obligation at 1 January 2022 has been determined by rolling forward the results of the most recent formal actuarial 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 2020, the following deficiency contributions are payable into the plan: £14k per month until January 2025 inclusive. The employer contributions to the scheme for the year ending 31 December 2022 are expected to be £165k (1 January 2022: £164k).

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

	1 January 2022	2 January 2021
Rate of increase in pensionable salaries	**0.00**	0.00
Rate of increase of pensions in payment	**2.20**	1.85
Discount rate	**1.90**	1.20
Inflation rate – in payment	**3.35**	2.85
Inflation rate – in deferment	**2.50**	2.00
Mortality table	**101% of S3PXA normal tables**	101% of S2PXA normal tables
Future improvements	**CMI 2020 with 1.25% long term trend and smoothing factor of 7.0, initial addition of 0.0% and w2020 parameter of 0%**	CMI 2019 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):

Assets and obligations:	%	1 January 2022 £000	%	2 January 2021 £000
UK equities securities	9	1,393	8	1,280
Overseas equities securities	17	2,574	16	2,560
Unquoted and private equities securities	-	1	-	1
Debt securities	67	10,282	72	11,336
Real estate / property	1	59	-	38
Cash and cash equivalents	4	602	4	669
Other	2	336	-	3
Fair value of scheme assets	100	15,247	100	15,887
Present value of funded obligation		(13,719)		(16,442)
Net surplus / (deficit) in the scheme		1,528		(555)

The amounts recognised in the profit and loss are as follows:	1 January 2022 £000	2 January 2021 £000
Current service cost – defined benefit	-	-
Past service cost (due to GMP equalisation)	-	50
Net interest cost on net defined benefit obligation	5	6
Pension charge included in the profit and loss	5	56

Amounts recognised in other comprehensive income:	1 January 2022 £000	2 January 2021 £000
Actuarial (gains) / losses	(2,320)	1,598
Return on scheme assets below / (in excess of) interest income	396	(1,281)
Re-measurement (gains) / losses recognised in other comprehensive income	(1,924)	317

Movement in net deficit during the year:	1 January 2022 £000	2 January 2021 £000
Net deficit of the scheme at beginning of year	(555)	(347)
Net pension charge	(5)	(56)
Company contributions	164	165
Re-measurement gains / (losses) recognised in other comprehensive income	1,924	(317)
Net surplus / (deficit) of the scheme at end of year	1,528	(555)

Changes in the present value of the defined benefit obligation are as follows:	1 January 2022 £000	2 January 2021 £000
Present value of obligation at beginning of year	16,442	15,071
Past service cost	-	50
Interest costs on defined benefit obligation	193	296
Actuarial (gains) / losses	(2,320)	1,598
Benefit payments from scheme assets	(596)	(573)
Present value of obligation at end of year	13,719	16,442

Changes in the fair value of scheme assets are as follows:	1 January 2022 £000	2 January 2021 £000
Fair value of scheme assets at beginning of year	15,887	14,724
Interest income on scheme assets	188	290
Return on scheme assets (below) / in excess of interest income	(396)	1,281
Company contributions	164	165
Benefit payments	(596)	(573)
Fair value of scheme assets at end of year	15,247	15,887

NOTES TO THE ACCOUNTS (continued)

15. Deferred tax

Movement in deferred tax asset / (liability)	**Pension £000**
At beginning of year	105
Charge in year – other comprehensive income	(487)
At end of year	**(382)**

Deferred tax asset	**1 January 2022 £000**	2 January 2021 £000
Pension	-	105
Deferred tax asset	-	105

At 1 January 2022 the company had no unused tax losses (2 January 2021: £nil).

The company expects to make pension contributions of £165k during 2022 and therefore the deferred tax liability is expected to increase in 2022 by £41k.

16. Called up share capital

Ordinary shares of 46.875p each	**1 January 2022**		2 January 2021	
Allotted, called up and fully paid	**000**	**£000**	000	£000
At beginning of year	69,844	32,739	69,844	32,739
Movement in year	-	-	-	-
At end of year	**69,844**	**32,739**	69,844	32,739

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 1 January 2022. 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 LIMTED (Ireland) - 100% owned by Headland UK Limited
GRANGE SAS (France) – struck off 6 July 2021
HEARTLAND APPLICANCES 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

Other dormant UK companies unless otherwise stated:

AFE ONLINE LIMITED
AFG AGA LIMITED *- dissolved March 2021
AFG COOK LIMITED
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 PENSIONS (1974) LIMITED
ARG TRUSTEES (1970) LIMITED
ASTEC HOLDINGS LIMITED *
BRICKHOUSE DUDLEY LIMITED *
CASHMORE GENERAL STEELS LIMITED
COMMINGLED TRUSTEES (ST HELENS) LIMITED
CRYOMAGNETIC SYSTEMS LIMITED +
FAIRFIELD ROAD LIMITED
FIRED EARTH LTD - trading: tiles, home fashions – sold 20 January 2021
GLENDALE ENGINEERING LIMITED
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%
WHOLESALE CATERING EQUIPMENT LIMITED

* 100% owned by The Coalbookdale Company Limited unless otherwise stated
\+ 100% owned by Thornton Group Holdings Limited

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 1 January 2022 the company has no outstanding bank guarantees.

The company has no other material contingent liabilities arising in the normal course of business at 1 January 2022 (2 January 2021: £nil). The company had no capital commitments (2 January 2021: £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

The emergence of the war in Ukraine and sanctions on Russia and Belarus is a non-adjusting event since the invasion occurred during February 2022.

The directors have assessed the impact on the financial statements as of 1 January 2022 with particular attention given to the potential impairment of investments and have concluded the war to be a non-adjusting event.

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.