

Section 172 statement

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

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

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

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

Acquisitions require approval by the board, and on 27 July 2020 the group entered into a conditional agreement to acquire the minority shareholdings in two of its subsidiaries, Kruden Limited and Premier Molasses Company Limited, which will result in these two companies becoming fully owned subsidiaries of United Molasses Group Limited. A loan was provided by the group's shareholder in July 2020 to fund this acquisition.

In addition to the above, the group restructured some of its shareholdings in the year, by incorporating a new subsidiary United Molasses Marketing (Ireland) Limited on 30 September 2019 and transferring its European Union based subsidiaries to this company from United Molasses Marketing Limited at net book value in January 2020. This will help the group mitigate against any potential risks associated with Brexit.

b) The interests of the company's employees

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

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

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

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

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

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

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

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

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

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

Ongoing personal development is encouraged to ensure future compliance.

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

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

During the year ended 31 July 2020, a dividend of £9,200,000 was approved by the directors and paid to the immediate shareholder.

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

During the year ended 31 July 2020, dividends of £2,686,000 were approved by the directors and the minority shareholders and paid to the minority shareholders.