

Company registration number 00291738 (Northern Ireland)

**TROUW (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# TROUW (UK) LIMITED

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# TROUW (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their Strategic report, Directors report and audited financial statements for Trouw UK Limited (the company) for the year ended 31 December 2021.

#### Principal activities

The principal activities of the Company consist of the manufacture and marketing of agricultural animal and speciality feeds.

#### Development and performance of the business

Sales for the year increased by 9% to £57,084,000 (2020: decreased by 21% to £52,057,000).

The Company reported a loss after tax during the year of £1,513,000 (2020: profit £801,000).

Net assets at 31 December 2021 amounted to £50,351,000 (2020: £50,262,000).

The company was negatively impacted by external factors in the first half of the year, these being the Suez Canal crisis and COVID-19 which both led to supply chain volatility. Trade normalised in the second half of the year and as such the Company was in a reasonably strong position.

The Company will continue to trade in the animal feed market, headed out of its offices in Belfast, Northern Ireland.

#### Principal risks and uncertainties

The agriculture animal markets continue to be competitive. The business continues to work to bring products to market that meet customer value and profitability requirements. On the purchasing side, a co-ordinated global procurement process to leverage global volume opportunities and a clear focus on economic and environmental sustainability is employed to optimise product costs and value.

From a risk perspective, the animal feed market operates comprehensive quality systems in order to produce high quality products in a market where deficiencies in product quality can have serious implications.

Brexit introduced a number of risks to the Company including, but not limited to, forex fluctuations, import and export tariffs, disruption to supply chains, changes in laws and regulations. The Company management have performed a detailed analysis into these risks and have taken various actions to mitigate the potential impact. The Company has continued to operate successfully throughout the period of transition, with minimum disruption. As the Company has sufficiently eliminated the identified risks, the Directors are of the opinion that the Company is well placed to manage any future risks as they arise and to take advantage of future opportunities that may arise.

The global outbreak of Covid-19 brought a number of uncertainties into the economy as a whole as well as an increased health risk to its employees. As agriculture is classified as a key sector, the Company was able to continue trading throughout imposed restrictions and the Company management performed and actioned numerous risk assessments to ensure it could continue to trade going forward while providing a safe working environment for all its employees.

#### Key Performance Indicators (KPIs)

The Company's key financial and other performance Indicators during the year were as follows:

		2021	2020
Gross Profit	%	10.53	13.94
Operating profit	%	-3.76	2.05
Return on Capital Employed	%	-3.70	1.88

Financial KPIs measure profitability, cost control and working capital control. Gross profit measurement and working capital levels continue to be the most critical KPIs for the Company. Non-financial KPIs measure qualitative aspects of the business including customer service and performance. Throughout the year customer service was strong and in line with customer expectations.

# TROUW (UK) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Section 172 Statement

This statement sets out how the Directors have approached and met their responsibilities under Section 172 Companies Act 2006 and in particular how the Directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Company for the benefit of its members as a whole whilst also having regard to stakeholders interests. As such, the Board have considered the following (amongst other things):

#### Shareholders

The Directors and senior management team evaluate the likely long-term benefits to the Company when considering investments in infrastructure and assets, confirming that it is the Board's ultimate objective to deliver long term sustainable earnings growth to enhance total shareholder returns.

#### Employees

The Directors and senior management team are actively involved in looking after the interests of the Company's employees through, training, development, diversity and inclusion, (mental) health and safety and working conditions. The Directors and senior management team actively encourages two-way communication with the Company's employees through regular meetings with departmental managers, participation in staff meetings, health and safety committees, social committees, newsletters, and the holding of 'town hall' style meetings.

#### Suppliers

The Company and the wider Group enters into regular engagement and dialogue with its key suppliers. The Directors recognise the importance that having a strong relationship with its suppliers brings to the robustness and continuity of its supply chain and will seek to build further partnerships in the future. The Company expects all its suppliers to adhere to the Company's supplier code of conduct and maintain high levels of ethical behaviour.

#### Customers

The Company places its customers at the centre of its business strategy and endeavours to meet and exceed their expectations by, ensuring continuity of reliable raw material supply, delivering high quality and reliable products, offering new and innovative products, providing technical expertise in animal nutritional, adopting high standards of ethical behaviours.

#### Community and the environment

The Company is committed to making a positive contribution to the communities and protecting the environment within which it operates. The Company continually invests in and modernises its manufacturing and logistical operations to become more energy efficient wherever possible. Charity partnership are considered and engaged in for the benefit of the wider community

#### Sustainability

The Company is dedicated to embedding sustainability into all its business and operational processes so that it can fulfil its commitment to deliver sustainable products and services. It begins with sourcing the most sustainable ingredients and continues on the farm, where the Company is focused on achieving the best results in both animal health and farm productivity.

On behalf of the board



Stephane Arakelian  
Director

Date: 19/01/2024

Blenheim House  
Blenheim Road  
Ashbourne  
Derbyshire  
DE6 1HA

# TROUW (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year end 31 December 2021.

#### Results and dividends

The results for the year are shown in the profit and loss account on page 11.

A dividend of £Nil (2020: £Nil) was paid during the year.

Total comprehensive income for the year was £89,000 (2020: £1,035,000), which was transferred to reserves.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Aidan Fisher

Mr Sander Van Ommeren

Mr Garth Boyd

Stephane Arakelian

(Resigned 15 December 2023)

(Resigned 28 February 2021)

(Appointed 15 December 2023)

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

#### Political donations

No political donations were made in the year (2020: £Nil).

#### Business relationships

The Directors and senior management team are actively involved in looking after the interests of the Company's employees through, training, development, diversity and inclusion, (mental) health and safety and working conditions. The Directors and senior management team actively encourages two-way communication with the Company's employees through regular meetings with departmental managers, participation in staff meetings, health and safety committees, social committees, newsletters, and the holding of 'town hall' style meetings.

The Company and the wider Group enters into regular engagement and dialogue with its key suppliers. The Directors recognise the importance that having a strong relationship with its suppliers brings to the robustness and continuity of its supply chain and will seek to build further partnerships in the future. The Company expects all its suppliers to adhere to the Company's supplier code of conduct and maintain high levels of ethical behaviour.

#### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

# TROUW (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### Energy and carbon report

As a large company, the Company has to produce a Streamlined Energy & Carbon Report ("SECR") for 2021 under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations).

As an overview, the Company uses electricity and gas to light, power and heat its premises mainly for production purposes.

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	474,552	447,490
	2021 metric tonnes	2020 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	10.21	9.06
	10.21	9.06
Scope 2 - indirect emissions		
- Electricity purchased	80.96	76.93
Total gross emissions	91.17	85.99
<i>Intensity ratio</i>		
Tonnes CO2e per employee	1.6	1.65

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Health and Safety

The health and safety of our employees and contractors is paramount and our health and safety performance is monitored on a regular basis by the Company's senior management.

#### Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### Employee involvement

During the year, the policy of providing employees with information about the group has been continued through the newsletters, announcements, and employee meetings. Regular meetings are held between senior management and employees to allow a free flow of information and ideas.

# TROUW (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Statement of disclosure to auditor

The<sup>all</sup> directors who held office at the date of approval of this directors<sup>all</sup> report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Other information

As part of the food chain, the Company is classed as an essential business and therefore been fully operational through the Covid-19 period.

### Going concern

The financial statements have been prepared on a going concern basis as explained in Note 1.

On behalf of the board



.....  
Stephane Arakelian  
Director

Blenheim House  
Blenheim Road  
Ashbourne  
Derbyshire  
DE6 1HA

Date: 19/01/2024 .....

# TROUW (UK) LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors are responsible for preparing the Annual Report 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



# TROUW (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROUW (UK) LIMITED

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### Opinion

We have audited the financial statements of Trouw (UK) Limited ("the Company") for the year ended 31 December 2021 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related 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 going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

# TROUW (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TROUW (UK) LIMITED

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#### **Fraud and breaches of laws and regulations – ability to detect**

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Corroborating a sample of sales invoices around the year end to ensure that revenue is recorded in the correct period.

##### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit,

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: Animal Feed regulations, health and safety, and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

##### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

# TROUW (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TROUW (UK) LIMITED

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#### *Context of the ability of the audit to detect fraud or breaches of law or regulation (continued)*

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Responsibilities of directors**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**TROUW (UK) LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF TROUW (UK) LIMITED**

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*Kathryn Hogg*

**Kathryn Hogg (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants**

**1 St Peters Square  
Manchester  
M2 3AE**

Date: 22 January 2024

# TROUW (UK) LIMITED

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Turnover	2	57,084	52,057
Cost of sales		(51,074)	(44,798)
<b>Gross profit</b>		<b>6,010</b>	<b>7,259</b>
Distribution costs		(2,816)	(2,581)
Administrative expenses		(5,343)	(3,612)
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(2,149)</b>	<b>1,066</b>
Interest receivable and similar income	6	346	642
Interest payable and similar expenses	7	(552)	(317)
<b>(Loss)/profit before taxation</b>		<b>(2,355)</b>	<b>1,391</b>
Tax on (loss)/profit	8	842	(590)
<b>(Loss)/profit for the financial year</b>		<b>(1,513)</b>	<b>801</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain on defined benefit pension schemes		2,465	358
Tax relating to items not reclassified		(863)	(124)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,602</b>	<b>234</b>
<b>Total other comprehensive income for the year</b>		<b>1,602</b>	<b>234</b>
<b>Total comprehensive income for the year</b>		<b>89</b>	<b>1,035</b>

The notes on pages 14 to 33 form part of these financial statements.

# TROUW (UK) LIMITED


## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £000	£000	2020 £000	£000
<b>Fixed assets</b>					
Intangible assets	9		80		115
Tangible fixed assets	10		2,550		2,069
Right-of-use assets	10		104		196
Investments	11		38		38
			<u>2,772</u>		<u>2,418</u>
<b>Long term asset</b>					
Defined benefit pension surplus	20		22,045		19,972
<b>Current assets</b>					
Stocks	13	7,898		4,615	
Debtors	14	67,121		69,346	
Cash at bank and in hand		42		290	
		<u>75,061</u>		<u>74,251</u>	
<b>Creditors: amounts falling due within one year</b>	15	(41,779)		(39,299)	
<b>Net current assets</b>			33,282		34,952
<b>Total assets less current liabilities</b>			58,099		57,342
<b>Creditors: amounts falling due after more than one year</b>	15		(38)		(93)
<b>Provisions for liabilities</b>					
Deferred tax liabilities	19		(7,710)		(6,987)
<b>Net assets</b>			<u>50,351</u>		<u>50,262</u>
<b>Capital and reserves</b>					
Called up share capital	21		5,404		5,404
Share premium account	22		471		471
Profit and loss reserves			44,476		44,387
<b>Total equity</b>			<u>50,351</u>		<u>50,262</u>

The notes on pages 14 to 33 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19/01/2024 and are signed on its behalf by:

  
 .....  
 Stephane Arakelian  
 Director

Company registration number 00291738

# TROUW (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 January 2020</b>	5,404	471	43,352	49,227
<b>Year ended 31 December 2020:</b>				
Profit for the year	-	-	801	801
Other comprehensive income:				
Actuarial gains on pensions scheme	-	-	358	358
Tax relating to other comprehensive income	-	-	(124)	(124)
Total comprehensive income for the year	-	-	1,035	1,035
<b>Balance at 31 December 2020</b>	5,404	471	44,387	50,262
<b>Year ended 31 December 2021:</b>				
Loss for the year	-	-	(1,513)	(1,513)
Other comprehensive income:				
Actuarial gains on pensions scheme	-	-	2,465	2,465
Tax relating to other comprehensive income	-	-	(863)	(863)
Total comprehensive income for the year	-	-	89	89
<b>Balance at 31 December 2021</b>	5,404	471	44,476	50,351

The notes on pages 14 to 33 form part of these financial statements.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Trouw (UK) Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's intermediate parent undertaking, Nutreco N.V includes the Company in its consolidated financial statements. The consolidated financial statements of Nutreco N.V are prepared in accordance with Dutch GAAP and are available to the public and may be obtained from Stationsstraat 77, P.O. Box 299, 3800 AG Amersfoort, The Netherlands. The Company is exempt by virtue of s402 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of transactions with wholly owned subsidiaries;

As the consolidated financial statements of Nutreco N.V include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.
- IFRS 2 Share Based Payments in respect of group settled share based payments;

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Accounting convention

##### Basis of preparation

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss.



# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

Notwithstanding the loss on ordinary activities of £1,513,000 incurred in the year, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from its cash balances and intergroup cash pooling arrangements. The company also has access to an overdraft (£4,000,000), which is subject to annual renewals and can be recalled on demand.

The cash pooling arrangement is operated with the company's ultimate parent company Nutreco N.V. As at 31 December 2021 the Company has made available funds of £52,742,326 to the Group cash pool and drawn amounts of £28,320,380. As at December 2023, the Company has made available funds of £61,844,888 and drawn amounts of £40,481,446. The terms of the agreement stipulate the company has a deposit obligation to the cash pool of £50m and a separate loan facility limit of £45m. The cash pooling arrangement was signed on 25 June 2021 and is effective until 1 January 2024, at which point it became subject to an automatic annual rolling renewal, unless terminated by either party under the terms of the agreement. As a cash pooling arrangement, Nutreco N.V. can call upon funds from the Company, however the arrangement specifies that this is only where funds are available. The net funds owned to the company above the deposit obligation, can be withdrawn by the Company by providing 1 days notice, the facility can be terminated by the company by providing 1 months notice to the Group.

The directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements. These forecasts indicate that Company will have sufficient funds through its existing cash balances, cash pool arrangements, together with cashflows generated from operations, to meet its liabilities as they fall due for that period.

In assessing the going concern, the directors have taken into account severe but plausible downsides relating to the competitive environment, including a 10% reduction in sales, reductions in gross margin, and an increase in opex expenses.

Consequently, the directors are confident that, for at least 12 months from the date of approval of these financial statements, that the Company will have sufficient funds to meet its liabilities as they fall due and therefore have prepared the financial statements on a going concern basis.

##### 1.3 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax.

Revenue from the sale of goods is recognised when the control of the goods has been transferred to the buyer, which is on physical delivery of the goods. Revenue from services is recognised when the service has been provided.

##### 1.4 Intangible assets other than goodwill

###### *Other intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	4 to 10 years
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# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Buildings	2.5 - 10% on cost
Plant and machinery	10 - 25% on cost
Motor vehicles	10 - 25% on cost

Assets in the course of construction are not depreciated until they are ready for use.

#### 1.6 Impairment of tangible and intangible assets

Assets that are subject to depreciation and amortisation are assessed at each balance sheet date to determine whether there is any indication for impairment. If any such indication exists, the asset's recoverable amount is tested.

Goodwill and assets with an indefinite useful life are not subject to amortisation and are tested for impairment once a year and whenever there is an indication for impairment.

An impairment loss is recognised for the amount by which the carrying amount of an asset, cash generating unit or group of cash generating units exceeds its estimated recoverable amount. Impairment losses recognised in respect of groups of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to groups of cash generating units and then to reduce the carrying amount of the other assets in the groups of cash generating units on a pro rata basis, but not below the fair value less costs of disposal or value in use of these assets.

The recoverable amount of assets is the greater of their fair value less costs of disposal and value in use. The fair value less costs of disposal is based on the best information available to reflect the amount that an entity could obtain, at the end of the reporting period, from the disposal of the asset in an orderly transaction between market participants after deducting the costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate, determined as a blended weighted average cost of capital per (groups of) cash-generating unit(s) that reflects the current market assessments of the time value of money and the risks of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the (groups of) cash generating unit to which the asset belongs.

#### Reversal of impairment

A reversal of an impairment loss for an asset other than goodwill is recognised immediately in profit or loss unless the asset is carried at a revalued amount. When an asset is carried at a revalued amount, the reversal is considered a revaluation increase and treated accordingly. Normally, a revaluation increase is recognised in other comprehensive income and increases the revaluation surplus within equity. But to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is recognised in profit or loss.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour, production overheads and unconditional rebates, appropriate to the relevant stage of production. Net realisable value is based on estimated selling price, less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow moving or defective items where appropriate.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Derivatives

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are repayable on demand and form part of the Company's cash management.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Investments in debt and equity securities*

Fixed asset investments are stated at amortised cost less impairment.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method, less any impairment losses.

#### **Derivative financial instruments and hedging**

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### 1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

##### **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **1.11 Employee benefits**

##### **Short-term**

*benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **1.12 Retirement benefits**

##### **Defined**

*contribution*

*plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### **Defined**

*benefit*

*plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds, excluding those issued by universities and government backed institutions, that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss. The calculation of the defined benefit obligation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### *Termination*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits because of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### *benefits*

#### 1.13 Leases

The Company has applied IFRS 16 in line with the prior year.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.14 Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

#### 1.15 Expenses

*Interest receivable and interest payable*  
Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.16 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.17 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

##### **Valuation of defined benefit pension obligations**

The cost of defined benefit pensions plans and other post employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. 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. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with at least an AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. For further details, including the sensitivity to the key assumptions see Note 20.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Turnover

	2021 £000	2020 £000
<b>Turnover analysed by class of business</b>		
Sales of goods	55,668	50,796
Rendering of services	1,416	1,261
	<u>57,084</u>	<u>52,057</u>
	2021 £000	2020 £000
<b>Turnover analysed by geographical market</b>		
United Kingdom	22,060	23,537
Rest of Europe	35,024	28,520
	<u>57,084</u>	<u>52,057</u>

### 3 Operating (loss)/profit

	2021 £000	2020 £000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	172	153
Depreciation of property, plant and equipment	520	458
Amortisation of intangible assets (included within administrative expenses)	35	34
Pension settlement (Note 20)	1,477	-
	<u></u>	<u></u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Production and technical	18	18
Sales and marketing	13	15
Administration	33	37
	<u></u>	<u></u>
Total	64	70

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	3,578	2,984
Social security costs	379	329
Pension costs	219	205
	<u>4,176</u>	<u>3,518</u>

### 5 Directors' remuneration

	2021 £000	2020 £000
Remuneration for qualifying services	308	297
Company pension contributions to defined contribution schemes	8	15
	<u>316</u>	<u>312</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £000	2020 £000
Remuneration for qualifying services	183	148
Company pension contributions to defined contribution schemes	1	9
	<u>184</u>	<u>157</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £183,000 (2020: £148,000), and company pension contributions of £1,000 (2020: £9,000) were made to a defined contribution scheme on their behalf. During the course of the year two directors held office.

### 6 Interest receivable and similar income

	2021 £000	2020 £000
<b>Interest income</b>		
Interest on the net defined benefit asset	345	367
Interest receivable from group companies	1	275
	<u>346</u>	<u>642</u>
<b>Total income</b>		
	<u>346</u>	<u>642</u>



# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Interest payable and similar expenses

	2021	2020
	£000	£000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	9	22
Interest payable to group undertakings	465	269
Interest on lease liabilities	78	26
	<u>552</u>	<u>317</u>

### 8 Taxation

	2021	2020
	£000	£000
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(440)	278
Changes in tax rates	(390)	312
Adjustment in respect of prior periods	(12)	-
	<u>(842)</u>	<u>590</u>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is higher (2020: higher) than the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below.

	2021	2020
	£000	£000
(Loss)/profit before taxation	<u>(2,355)</u>	<u>1,391</u>
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2020: 19.00%)	(447)	264
Effect of expenses not deductible in determining taxable profit	7	14
Deferred tax adjustments in respect of prior years	(12)	-
Tax rate changes	(390)	312
<b>Taxation (credit)/charge for the year</b>	<u>(842)</u>	<u>590</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£000	£000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	<u>863</u>	<u>124</u>

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Taxation

(Continued)

*Factors that may affect future current and total tax charges*  
The deferred tax liability at 31 December 2021 on the defined benefit pension asset has been calculated based on the rate of 35.00% on the basis that the directors anticipate a future refund on the scheme.

The Government announced its intention to increase the corporation tax rate from 19% to 25% which is effective from 1 April 2023. This may increase the Company's future tax credit accordingly.

#### 9 Intangible fixed assets

Computer  
software  
£000

##### Cost

At 31 December 2020 607

At 31 December 2021 607

##### Amortisation and impairment

At 31 December 2020 492

Charge for the year 35

At 31 December 2021 527

##### Carrying amount

At 31 December 2021 80

At 31 December 2020 115

#### 10 Tangible fixed assets

	Buildings	Assets under construction	Plant and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 January 2021	1,347	25	3,607	242	5,221
Additions	-	131	739	64	934
Disposals	-	(25)	-	-	(25)
At 31 December 2021	1,347	131	4,346	306	6,130
<b>Accumulated depreciation and impairment</b>					
At 1 January 2021	1,046	-	1,806	104	2,956
Charge for the year	58	-	364	98	520
At 31 December 2021	1,104	-	2,170	202	3,476

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Tangible fixed assets

(Continued)

	Buildings £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Carrying amount analysed between owned assets and right-of-use assets</b>					
<b>At 31 December 2021</b>					
Owned assets	243	131	2,176	-	2,550
Right-of-use assets	-	-	-	104	104
	<u>243</u>	<u>131</u>	<u>2,176</u>	<u>104</u>	<u>2,654</u>
<b>At 31 December 2020</b>					
Owned assets	243	25	1,801	-	2,069
Right-of-use assets	58	-	-	138	196
	<u>301</u>	<u>25</u>	<u>1,801</u>	<u>138</u>	<u>2,265</u>

Tangible fixed assets includes right-of-use assets, as follows:

<b>Right-of-use assets</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Net values at the year end</b>		
Property	-	58
Motor vehicles	104	138
	<u>104</u>	<u>196</u>
<b>Depreciation charge for the year</b>		
Property	(58)	(116)
Motor vehicles	(98)	(105)
	<u>(156)</u>	<u>(221)</u>

### 11 Investments

	<b>Non-current 2021 £000</b>	<b>2020 £000</b>
Investments in subsidiaries	<u>38</u>	<u>38</u>

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Trouw (UK) Pension Trust Limited	Minsal Works, Northwich, Cheshire CW9 6DF	Ordinary	100.00

### 13 Stocks

	2021 £000	2020 £000
Raw materials	5,610	3,043
Finished goods	2,288	1,572
	<u>7,898</u>	<u>4,615</u>

Stock movements in raw materials, consumables and changes in finished goods and work in progress recognised in cost of sales in the year amounted to £49,498,365 (2020: £44,453,627). The write-down of stocks to net realisable value amounted to £654,501 (2020: £264,604). The write-down is included in cost of sales.

### 14 Debtors

	2021 £000	2020 £000
Trade debtors	9,855	10,562
Corporation tax recoverable	1,655	1,656
Amounts owed by fellow group undertakings	53,541	55,588
Other debtors	686	863
Prepayments and accrued income	24	20
	<u>65,761</u>	<u>68,689</u>
Deferred tax asset	1,360	657
	<u>67,121</u>	<u>69,346</u>

Within the amounts owed by group undertakings £52,742,326 (2020: £54,761,183) relates to balances on deposit from Nutreco N.V. Interest is charged at base rate -0.1% and are repayable with 1 day's notice.

The remaining amount of £798,610 (2020: £827,000) owed by group undertakings are trading balances and are receivable under payment terms as set per Nutreco applicable transfer pricing policy.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Creditors

	Notes	Due within one year		Due after one year	
		2021 £000	2020 £000	2021 £000	2020 £000
Loans and overdrafts	16	537	297	-	-
Creditors	17	41,039	38,786	-	-
Taxation and social security		88	77	-	-
Lease liabilities	18	115	139	38	93
		<u>41,779</u>	<u>39,299</u>	<u>38</u>	<u>93</u>

### 16 Loans and overdrafts

	2021 £000	2020 £000
<b>Borrowings held at amortised cost:</b>		
Bank loans	537	297

### 17 Creditors

	2021 £000	2020 £000
Trade creditors	6,510	7,255
Amounts owed to fellow group undertakings	33,515	30,659
Other creditors	1,014	872
	<u>41,039</u>	<u>38,786</u>

Amounts owed to group undertakings include £28,320,380 (2020: £27,320,380) owed to a group entity, Nutreco N.V., as part of a rolling loan agreement. Interest is charged at base rate +1.47% and are repayable with 1 day's notice.

The remaining amount is £5,194,667 (2020: £3,338,620) owed to group undertakings were trading balances and are payable under payment terms as set per Nutreco applicable transfer pricing policy.

### 18 Lease liabilities

	2021 £000	2020 £000
<b>Maturity analysis</b>		
Within one year	115	139
In two to five years	38	82
In over five years	-	11
	<u>153</u>	<u>232</u>
<b>Total liabilities</b>		

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18 Lease liabilities

(Continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £000	2020 £000
Current liabilities	115	139
Non-current liabilities	38	93
	<u>153</u>	<u>232</u>

	2021 £000	2020 £000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>78</u>	<u>26</u>

#### 19 Deferred taxation

	2021 £000	2020 £000
Deferred tax liabilities	7,710	6,987
Deferred tax assets	<u>(1,360)</u>	<u>(657)</u>
	<u>6,350</u>	<u>6,330</u>

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £000	Tax losses £000	Retirement benefit obligations £000	Total £000
Liability at 1 January 2021	-	-	6,987	6,987
Asset at 1 January 2021	(378)	(279)	-	(657)
<b>Deferred tax movements in current year</b>				
Charge/(credit) to profit or loss	(214)	(489)	(140)	(843)
Charge/(credit) to other comprehensive income	-	-	863	863
Liability at 31 December 2021	-	-	7,710	7,710
Asset at 31 December 2021	<u>(592)</u>	<u>(768)</u>	<u>-</u>	<u>(1,360)</u>

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Retirement benefit schemes

	2021	2020
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	219	205

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### Defined benefit scheme

The company operates a defined benefit scheme for qualifying employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2018 by a qualified independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Under current scheme rules, the Company has an unconditional right to the refund of surplus if the scheme winds up.

	2021	2020
	%	%
Key assumptions		
Discount rate	1.90	1.50
Pension growth rate	3.40	2.90
Inflation rate (RPI)	3.40	2.90
Increases to pensions (in excess of GMP) in payment	3.25	2.85
Increases to GMP pensions accrued after 5 April 1988	2.35	2.10

	2021	2020
	Years	Years
Mortality assumptions		
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.4	21.3
- Females	23.9	23.8
Retiring in 20 years		
- Males	22.3	22.2
- Females	25.0	24.9

	2021	2020
	£000	£000
Amounts recognised in the profit and loss account		
Current service cost	3	4
Net interest on defined benefit (asset)	(346)	(367)
Past service cost	-	86
The effect of any curtailment or settlement	1,477	-
Total costs/(income)	1,134	(277)

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Retirement benefit schemes (Continued)

	2021 £000	2020 £000
<i>Amounts recognised in other comprehensive income</i>		
Actuarial changes arising from changes in financial assumptions	(920)	6,258
Actuarial changes related to plan assets	(1,545)	(6,616)
Total (income)	<u>(2,465)</u>	<u>(358)</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2021 £000	2020 £000
Present value of defined benefit obligations	60,662	70,115
Fair value of plan assets	(82,707)	(90,087)
Surplus in scheme	<u>(22,045)</u>	<u>(19,972)</u>

	2021 £000	2020 £000
<i>Movements in the present value of defined benefit obligations</i>		
At 1 January 2021	70,115	64,380
Current service cost	3	4
Past service cost	-	86
Settlements	(7,963)	-
Benefits paid	(1,656)	(1,881)
Actuarial gains and losses	(920)	6,258
Interest cost	1,083	1,268
At 31 December 2021	<u>60,662</u>	<u>70,115</u>

	2021 £000	2020 £000
<i>The defined benefit obligations arise from plans funded as follows:</i>		
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	60,662	70,115
	<u>60,662</u>	<u>70,115</u>



# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Retirement benefit schemes

(Continued)

	2021 £000	2020 £000
<i>Movements in the fair value of plan assets:</i>		
At 1 January 2021	90,087	81,713
Interest income	1,429	1,635
Return on plan assets (excluding amounts included in net interest)	1,545	6,616
Settlements	(9,440)	-
Benefits paid	(1,656)	(1,881)
Contributions by the employer	742	2,004
At 31 December 2021	<u>82,707</u>	<u>90,087</u>

During 2021, deferred members were offered Enhanced Transfer Values as part of an exercise run by the Trustee. In total, c.£9.44 million of Scheme assets were paid out to members as part of this exercise, which represented c.£7.96 million of accounting liabilities. As a result, a settlement loss of c.£1.48m has arisen over the year to 31 December 2021.

#### *Sensitivity of the defined benefit obligations to changes in assumptions*

Scheme obligations would have been affected by changes in assumptions. The following table summarises the impact on the defined benefit obligation at the end of the reporting period if the respective assumptions were adjusted by half a percent:

		2021 Increase/(Decrease) in DBO	2020 Increase/(Decrease) in DBO
Discount rate	- increase	(4,729)	(5,717)
	- decrease	5,378	6,524
Future pension increases in payment	- decrease	(3,247)	(3,775)
Inflation (RPI, CPI)	- increase	3,775	4,980
	- decrease	<u>(3,513)</u>	<u>(4,925)</u>

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Retirement benefit schemes

(Continued)

In valuing the liabilities of the Nutreco (UK) Pension Scheme at 31 December 2021, the Company needs to make an assumption on how long members are expected to live and therefore how long pensions are expected to be paid out (referred to as the mortality assumption). The mortality assumption adopted as at 31 December 2021 is in line with SAPS and a multiplier of 107% for males and 99% for females has been applied. Long term improvements in mortality are assumed to be in line with the CMI 2018 used with improvement rate 1.25% p.a. and an initial addition parameter of 0.25%.

If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2021 would have increased by £1,960,000 before any allowance for tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 December 2021 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The discount rate at the 2021 year-end has been derived with reference to Willis Towers Watson's model, in line with the approach taken at the 2020 year-end.

The RPI inflation assumption at the 2021 year-end has been derived in a consistent way to the assumption adopted at the 2020 year-end (using Willis Towers Watson's model with a deduction of 0.25% pa in respect of an inflation risk premium). To reflect the UK Statistics Authority's proposal to align RPI with CPI, and the subsequent Government consultation, the Company has amended its method of setting an assumption for future levels of CPI by adjusting RPI rates as follows:

- For years up to and including 2029, the RPI/CPI differential is assumed to be 1%; and
- For years from 2030 onwards, the RPI/CPI differential was assumed to be nil.

This resulted in a CPI assumption 0.45% pa below the equivalent RPI inflation assumption (compared to 0.45% pa at the 2020 year-end).

The fair value of plan assets at the reporting period end was as follows:

	2021 £000	2020 £000
Diversified growth funds	37,666	42,642
Debt instruments eg Government bonds	41,410	41,489
Cash and cash equivalents	3,631	5,956
	<u>82,707</u>	<u>90,087</u>

Debt instruments are held indirectly through holdings in funds and hence are considered unquoted. All government bonds are issued by European governments and are AAA- or AA- rated. All other plan assets are not quoted on an active market.

The Company expects to pay £NIL in contributions to its defined benefit plans in 2022.

# TROUW (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Share capital

	2021 Number	2020 Number	2021 £000	2020 £000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	5,404,136	5,404,136	5,404	5,404

### 22 Share premium account

	2021 £000	2020 £000
At the beginning and end of the year	471	471

### 23 Capital commitments

The company had no capital commitments at the year-end (2020: £Nil).

### 24 Controlling party

The immediate parent company is Nutreco Limited, a company incorporated in England and Wales.

As at 31 December 2021, the Company's ultimate parent undertaking is considered by the Company to be SHV Holdings N.V., a company incorporated in The Netherlands.

In the opinion of the Directors the Company is controlled by SHV Holdings N.V.

Copies of SHV Holdings N.V.'s consolidated Financial Statements may be obtained from SHV Holdings N.V., Rijkade 1, 3511 LC Utrecht, The Netherlands.