

D.E Holding UK Limited
Annual report and financial statements
For the year ended 31 December 2022

Registered number: 01558575



D.E Holding UK Limited

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D.E Holding UK Limited

Company information

Directors	D. P. G. Jones A. White
Company registration number	01558575
Country of incorporation	England and Wales
Company type	Private limited
Registered office	Horizon Honey Lane Hurley Maidenhead Berkshire SL6 6RJ
Auditor	Deloitte LLP Statutory Auditor St. Albans England United Kingdom
Banker	Lloyds Bank plc
Date of incorporation	28 April 1981

D.E Holding UK Limited

Strategic report

For the year ended 31 December 2022

The directors present their strategic report on D.E. Holding UK Limited for the year ended 31 December 2022.

Review of the business

The Company's principal activity is to act as a holding Company. The Company is also the Principal Employer for the Jacobs Douwe Egberts UK Pension Plan. The Pension Plan continues to be in a strong financial position although the pension scheme net surplus decreased to £364,618,000 in the year (2021: £417,573,000). The Pension Plan is closed to future accrual. The company made a profit for the year of £12,368,000 (2021: £16,183,000) with the key driver being a dividend of £11,600,000 (2021: £11,600,000) from its subsidiary.

Future developments

The directors expect there to be no change in the Company's activities within the foreseeable future.

Principal risks and uncertainties

The Company's operations expose it mainly to financial risk in the pension scheme and credit risk. There is a risk that the return on the pension scheme investments will not cover the liabilities in the scheme and accordingly this is closely monitored as set out in note 16. Credit risk is minimised as all loans are inter-Company loans.

The Company has also agreed to provide support to one subsidiary, Courtaulds Textiles (Holdings) Limited, to enable it to settle its liabilities as they fall due. As a consequence of this, a provision of £7,038,000 (2021: £6,700,000) has been made in relation to the net external liabilities of Courtaulds Textiles (Holdings) Limited. The increase in the year can be attributed to an increase in the industrial injury provision held by the subsidiary in line with the regular actuarial review.

Financial key performance indicators

Given the nature of the business as a holding Company, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Section 172(1) report

This has been disclosed in the directors' report.

The Strategic report of D.E Holding UK Limited (registered number 01558575) was approved by the board of directors and is signed on its behalf by:



D.P.G. Jones
Director

Date: 14/7/23

D.E Holding UK Limited

Directors' report

For the year ended 31 December 2022.

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Business review

The directors do not expect there to be any changes within the Company's activities within the foreseeable future.

Results and dividends

The Company's results are set out on pages 10 - 13. The profit for the year after tax is £12,368,000 (2021: £16,183,000). Net assets at the end of the year were £534,160,000 (2021: £587,153,000). The assets have decreased due to a reduction in the pension scheme asset in line with market conditions. However, the pension scheme remains in a strong surplus position.

A dividend has been paid during the year of £11,600,000 (2021: £11,600,000). No dividends have been declared since the balance sheet date.

Financial risk management

As the Company does not trade, it is not exposed to any significant price fluctuations. Liquidity risk is managed through the cash reserves that the Company holds.

The Company holds a large defined benefit pension scheme. The financial risks associated with this scheme, ensuring that there are sufficient assets to pay the liabilities, are managed by the Trustees including Company nominated Trustees and the Trustees' advisors. The Trustees use investment advisors to measure the performance of the fund and course correct if necessary. The scheme continues to have a surplus of assets over liabilities as disclosed in Note 16 and was not impacted by the volatile market condition in 2022.

The Company holds significant intercompany balances with its subsidiary undertakings, including an intercompany loan to Jacobs Douwe Egberts GB Ltd. This loan is non-interest bearing and is repayable on demand. Although the subsidiary would require significant wider group support to repay the loan, the Directors do not deem this high risk. Due to the Company's principal activity being that of a holding company, there is no requirement for repayment in the near future. This is due to the Company having a strong net asset position including significant levels of cash as at the year end, and for the foreseeable future.

Directors and their interests

The directors who served during the year and subsequently to the date of signing this report are as follows:

D. P. G. Jones

G. Sarafoglou (resigned on 1st June 2023)

A. White

Sisec Limited were appointed as Company Secretary on 28th July 2022.

Directors' indemnities

At the time of making this report, a qualifying third-party indemnity provision is in place for the benefit of the directors of the Company and was in force during the financial year and at the date of approval of these financial statements. This insurance policy covers the directors of any fellow subsidiaries and subsidiaries of D.E Holding UK Limited.

Post balance sheet events

There were no post balance sheet events up to the date of signing of the financial statements.

Going concern

The directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from signing of the financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

D.E Holding UK Limited

Directors' report (continued)

For the year ended 31 December 2022

Section 172 Statement

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on page 2 and the Directors' report on pages 3 to 6. 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 Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith, the Directors consider what is most likely to promote the success of the Company for its members in the long term. Section 172 asks for commentary specifically on:

A) The likely consequences of any decision in the long term.

D.E Holding UK Limited is a wholly owned subsidiary of Jacobs Douwe Egberts B.V which has its headquarters in the Netherlands. Decisions which will impact the long-term performance of the business will be made in the headquarters with input from D.E Holding UK Limited's management.

B) The interests of the company's employees

The company itself has no employees but is the parent of a group of companies with c200 employees. The group encourages associate engagement via formal and informal briefings, team meetings, discussions with line managers, communications via intranet, email or noticeboards. Through this culture and these methods, company management listen to and take into account employees' views on key topics. Employees share in the success of the business through a bonus scheme, so there is alignment between the KPIs of the business and the employees' financial security.

C) The need to foster the company's business relationships with suppliers, customers and others.

The Company is a holding company and thus has minimal suppliers and no customers itself. The directors recognise that fostering business relationships with key stakeholders, such as customers and suppliers, is essential to the success of the group and are satisfied that the group has close relationships with its customers and suppliers to meet our strategic priorities.

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

At a global level JDE published its latest Corporate Responsibility Report in 2022 and this is publicly available at www.jdepeets.com. The report states "At JDE, we are driven by our passion for coffee and tea, respect for the environment, and care for people. We take responsibility for our Supply Chain – from bean to cup – and the communities we operate in. We strive to continuously improve our business by setting up partnerships, investing in social and environmental initiatives and taking care of our associates." D.E Holding UK Limited is a holding company and the group locally implements actions to address those goals. D.E Holding UK Limited's energy use is less than 40,000 MWh in the reporting period.

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

D.E Holding UK Limited recognises the importance of high standards of business conduct as demonstrated by the requirement for all employees of the group to undertake the JDE Code of Conduct training. This covers acting honestly and ethically with employees, customers, business partners, the company and with global communities. JDE also has policies on Supplier Code of Conduct, Competition Law compliance, Speaking Up, and Anti-Bribery and Corruption.

F) The need to act fairly as between members of the company

Given the activities of the Company, this issue is not relevant to D.E Holding UK Limited as JDE is a fully owned subsidiary of JDE Peet's N.V, in which common members are treated fairly, with no unique treatment given to the Company or fellow group members. The company's immediate controlling party is Jacobs Douwe Egberts International B.V as stated in the notes to the accounts.

D.E Holding UK Limited

Directors' report (continued)

For the year ended 31 December 2022

Section 172 Statement (continued)

Significant events / Key decisions in the year

During the day-to-day management of the business, the decisions that were taken took into account the impact on key stakeholders. There were no significant changes to the company's strategy or operations which required broader consultation.

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), 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 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; and
- 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. Please refer to Director's Report section 172 statement page 4 for the disclosures on how directors have promoted the success of the company for the benefit of its members. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

In accordance with section 418, each person who is a director when the report is approved confirms that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

D.E Holding UK Limited

Directors' report (continued)

For the year ended 31 December 2022

Statement of disclosure of information to auditor (continued)

Independent auditor

The auditor, Deloitte LLP, has indicated its willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The directors' report of D.E Holding UK Limited (registered number 01558575) was approved by the board of directors and authorised for issue on **14th July** 2023. They were signed on its behalf by:

Dave Jones

D.P.G. Jones
Director

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of D.E Holding UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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.

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 Financial Reporting Council's (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 a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited (continued)

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 our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud within the valuation of the deferred tax asset, due to the complexity and judgement required in estimating the value of brought forward tax losses that can be recovered against future taxable profits generated by imputed interest income on an intercompany loan arrangement. Specific procedures performed to address this risk include:

- Engaged internal tax specialists to assist in assessing and challenging key assumptions made by management when calculating the deferred tax asset, with reference to specific tax legislation and recent case law; and performed substantive testing over the inputs into the deferred tax calculation, and challenged these against sufficient, appropriate audit evidence. Performed a re-calculation of the deferred tax asset based on audited inputs.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Companies Act 2006 (continued)

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited (continued)

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

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.



Craig Wisdom (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom

14 July 2023

D.E Holding UK Limited

Profit and loss account

For the year ended 31 December 2022

	Note	Year ended 2022 £'000	Year ended 2021 £'000
Administrative (expenses)/income		(4,717)	819
Operating (loss)/profit		(4,717)	819
Income from share in group undertakings		11,600	11,600
(Increase)/Decrease in provisions for liabilities of subsidiaries	13	(338)	538
Finance income – interest income	6	34,399	27,280
Finance costs – interest expense	7	(25,856)	(23,210)
Profit before taxation		15,088	17,027
Tax charge	8	(2,720)	(844)
Profit for the financial year attributable to the owners of the Company		12,368	16,183

The above numbers are all derived from continuing operations.

D.E Holding UK Limited**Statement of comprehensive income**

For the year ended 31 December 2022

		Year ended 2022 £'000	Year ended 2021 £'000
	Note		
Profit for the financial year		<u>12,368</u>	<u>16,183</u>
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (gain)/loss on defined benefit pensions	16	(60,826)	154,819
Taxes on pension items taken directly to OCI		15,229	(46,903)
Taxes on other items taken directly to OCI		<u>(8,164)</u>	<u>23,894</u>
Other comprehensive (expense)/income for the year net of tax		<u>(53,761)</u>	<u>131,810</u>
Total comprehensive (expense)/income for the year attributable to the owners of the Company		<u><u>(41,393)</u></u>	<u><u>147,993</u></u>

D.E Holding UK Limited

Balance Sheet

As at 31 December 2022

		2022	2021
	Note	£'000	£'000
Non-current assets			
Investments in subsidiaries	10	19,999	19,999
Deferred tax assets	14	59,102	67,554
Trade and other receivables	11	193,914	193,914
Pension asset	16	364,618	417,573
		<u>637,633</u>	<u>699,040</u>
Current assets			
Trade and other receivables	11	431	2,329
Cash and bank balances		<u>74,648</u>	<u>31,300</u>
		75,079	33,629
Current liabilities	12	<u>(80,360)</u>	<u>(34,423)</u>
Net current liabilities		<u>(5,281)</u>	<u>(794)</u>
Total assets less current liabilities		632,352	698,246
Non-current liabilities			
Provisions	13	(7,038)	(6,700)
Deferred tax liability	14	<u>(91,154)</u>	<u>(104,393)</u>
		<u>(98,192)</u>	<u>(111,093)</u>
Net assets		<u><u>534,160</u></u>	<u><u>587,153</u></u>
Capital and reserves			
Share capital	15	256,709	256,709
Profit and loss account		<u>277,451</u>	<u>330,444</u>
		<u><u>534,160</u></u>	<u><u>587,153</u></u>

The notes on pages 15 to 32 form part of these financial statements.

The financial statements of D.E Holding UK Limited (registered number 01558575) were approved by the board of directors and authorised for issue on **14th July** 2023. They were signed on its behalf by:

Dave Jones

D.P.G. Jones
Director

D.E Holding UK Limited

Statement of changes in equity For the year ended 31 December 2022

	Note	Called up share capital	Profit and loss account	Total
		£'000	£'000	£'000
Balance at 1 January 2021		256,709	194,051	450,760
Profit for the year		-	16,183	16,183
Other comprehensive income for the year		-	131,810	131,810
Total comprehensive income for the year		-	147,993	147,993
Dividends	9	-	(11,600)	(11,600)
Balance at 31 December 2021		256,709	330,444	587,153
Profit for the year		-	12,368	12,368
Other comprehensive expense for the year		-	(53,761)	(53,761)
Total comprehensive expense for the year		-	(41,393)	(41,393)
Dividends	9	-	(11,600)	(11,600)
Balance at 31 December 2022		256,709	277,451	534,160

D.E. Holding UK Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Basis of accounting

General information

D.E. Holding UK Limited (the Company) is a private Company incorporated in the United Kingdom under the Companies Act 2006 and is a Company limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under s400 of Companies act 2006, because it is included in the group financial statements of Jacobs Douwe Egberts B.V. The group financial statements of Jacobs Douwe Egberts B.V. can be obtained as set out in note 17.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company underwent a transition from reporting under applicable accounting standards in the United Kingdom to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. The functional currency of D.E. Holding UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Where relevant, equivalent disclosures have been given in the group financial statements of Jacobs Douwe Egberts B.V. The group financial statements of Jacobs Douwe Egberts B.V. can be obtained as set out in note 17.

The financial statements have been prepared on the historical cost basis, except for the revaluation of the retirement benefit fund which is measured at fair value at the end of the period. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Of the new IFRS standards that are mandatorily effective for the year ended 31 December 2022, none are materially applicable or deemed relevant.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on page 2.

The company has received a letter of support from its ultimate parent, JDE Peet's N.V. to provide financial support if needed to meet its commitments in the next twelve months from the date of signing these accounts. The Directors have assessed and are confident of the ability of JDE Peet's N.V to provide this support, as JDE Peet's N.V is a publicly quoted company in the Netherlands with a strong balance sheet and close to €1bn of cash and cash equivalents.

The Directors note that there is a loan due from a group undertaking, which currently has a repayment date of 31st March 2024, but there is an intention to extend the repayment date beyond this time. They do not consider this to be a concern to the Company because the group undertaking is covered by the letter of support to provide financial support if needed to cover its commitments.

Based on their assessment of the Company's financial position and the letter of support received, the Directors believe there are no concerns with the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

Interest income and Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

Administrative expenses

Administrative expenses are recognised when invoices are received, and subsequently processed for payment in the financial system. Alternatively, it is when they are recognised in the profit and loss, in advance of receiving an invoice in line with accruals accounting.

Retirement benefit costs

The Company participates in a group defined benefit scheme which is the legal responsibility of D.E Holding UK Limited as the principal employer.

For defined benefit schemes, the amounts charged to operating profit are the costs arising from employee services rendered during the year and the cost of the plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amount included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. There is no contractual agreement or stated policy for charging the net defined benefit cost.

The defined benefit surplus or deficit and the related deferred tax are separately recognised on the face of the balance sheet. Defined benefit surplus balances are recognised to the extent that on a winding up of the pension scheme any surplus assets are refundable to the Company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The Company has determined that there are no uncertain tax positions, with reference to IFRIC23.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

The Company complies with the requirements of IFRS9 regarding the measurement of financial instruments.

Financial Instruments

(a) Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (b) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (c) below).

(b) Impairment of financial assets

The Company recognises an expected credit loss model which requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and intercompany balances. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(c) Classification and measurement of financial liabilities

Changes in the fair value of the financial liabilities that is attributable to changes in the credit risk of that liability are presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The Company has considered whether the loan of £193,914,000 due from a subsidiary company would give rise to a credit loss and is satisfied that it will not, due to the letter of support received from its parent company as detailed in the going concern paragraph in note 1.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Company's accounting policies

Deferred tax

The company recognises a deferred tax asset as a result of tax losses and a deferred tax liability as a result of the retirement benefit obligations as outlined in note 14. There is a high degree of judgment and complexity in determining the recoverability of the deferred tax asset, particularly in estimating the value of brought forward tax losses that can be recovered against future taxable profits generated by imputed interest income, and therefore deferred tax is deemed to be a critical accounting judgement.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Pension scheme valuation

The company operates a defined benefit pension scheme as outlined in note 16. There are a number of financial estimates that are made in arriving at the pension scheme valuation and the note provides further details on the estimates used.

IFRS 9 Expected Credit Losses

The company has loaned Jacobs Douwe Egberts GB Ltd of £193,914,000. The recoverability of this loan is regularly reviewed and a letter of support from JDE Peet's N.V. is received to support recoverability.

Deferred tax on intercompany loan

Although the intercompany loan with Jacobs Douwe Egberts GB Ltd is non-interest bearing, for Deferred Tax purposes, interest is incurred on the loan to replicate what would be considered the average interest rates for the year, at an arm's length basis. The imputed interest and repayment date is reviewed on a regular basis.

4. Auditor's remuneration

Fees payable for the audit of the Company's annual financial statements were £68,000 (2021: £63,000).

Fees payable for the audit of subsidiaries and fellow group companies were £361,000 (2021: £333,900). These fees were borne by the individual companies.

No non-audit fees were payable to the Company's auditor (2021: £nil)

5. Staff costs

Other than the directors, there were no employees in the company in the year (2021: nil).

The directors do not receive any remuneration in relation to their services to this Company (2021: nil). Directors' remuneration is borne by a fellow group company.

D.E Holding UK Limited**Notes to the financial statements (continued)**

For the year ended 31 December 2022

6. Finance income – interest income

	Year ended 2022 £'000	Year ended 2021 £'000
Bank deposits	818	23
Net interest on defined benefit pension schemes (Note 16)	33,581	27,257
	<u>34,399</u>	<u>27,280</u>

7. Finance costs – interest expense

	Year ended 2022 £'000	Year ended 2021 £'000
Net interest on defined benefit pension schemes (Note 16)	25,856	23,210
	<u>25,856</u>	<u>23,210</u>

8. Tax on profit on ordinary activities

	Year ended 2022 £'000	Year ended 2021 £'000
Corporation tax: UK corporation tax	-	-
Deferred tax (note 14)	2,720	844
	<u>2,720</u>	<u>844</u>

D.E Holding UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

8. Tax on profit on ordinary activities (continued)

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year.

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

	Year ended 2022 £'000	Year ended 2021 £'000
Deferred tax:		
Re-measurement (losses) / gains on defined benefit pensions	(7,065)	23,009
	<u>(7,065)</u>	<u>23,009</u>

The Chancellor announced in his Budget on 3rd March 2021 that the main rate of corporation tax will increase to 25% from April 2023. This rate was substantively enacted on 24th May 2021. The closing deferred tax balances as at 31 December 2022 have therefore been calculated at the rate of 25%, reflecting the tax rate which was substantively enacted at the balance sheet date.

The current tax charge for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 2022 £'000	Year ended 2021 £'000
Profit before tax	15,088	17,027
Tax at the UK corporation tax rate of 19% (2021: 19%)	<u>2,867</u>	<u>3,235</u>
Expenses/Income not deductible in determining taxable profit		
Adjustments in respect of prior years	315	(314)
Expenses not deductible	43	-
Income not taxable	(2,146)	(2,306)
Tax rate changes	578	(268)
Transfer pricing adjustments	<u>1,063</u>	<u>497</u>
Tax charge for the year	<u>2,720</u>	<u>844</u>

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022.

9. Dividends

Year ended 2022 £'000	Year ended 2021 £'000
11,600	11,600

Final dividend for the year paid during the year to group undertaking was equivalent 4.519p per share (2021: 4.519p per share).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. Investments

Cost

£'000

At 1 January 2022 and 31 December 2022

19,999

The company has investments in the following subsidiary undertakings, associates and other investments. Unless otherwise stated, the Company holds a 100% interest in the ordinary share capital of its subsidiary undertakings.

Name	Country of registration	Principal activity	Registered office address
Jacobs Douwe Egberts GB Limited	England and Wales	(A)	
Courtaulds Textiles Limited*	England and Wales	(B)	Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ
Courtaulds Textiles (Holdings) Limited	England and Wales	(B)	
D.E Finance UK Limited*	England and Wales	(B)	
Jacobs Douwe Egberts PRO GB Limited*	England and Wales	(B)	Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ
<hr/>			
Linnyslaw Insurance Limited	Isle of Man	(C)	Tower House Loch Promena de Douglas Isle of Man IM1 2LZ
Jacobs Douwe Egberts UK Pension Trustee Limited*	England and Wales	(D)	
New Way Packaged Products Limited*	England and Wales	(D)	Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ
<hr/>			
Kiwi (Nigeria) Limited (51% holding)	Nigeria	(D)	4 Industrial Street Ilupeju Industrial Estate Ikeja, Lagos, Nigeria

- (A) This company is involved in the sale and distribution of coffee products or beverage concentrates.
- (B) Holding or investment companies.
- (C) This company holds an insurance business licence in accordance with the Isle of Man Insurance Act 2008, and its principal activity is that of an insurance company.
- (D) Dormant companies.

* Held directly by D.E Holding UK Limited.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Trade and other receivables

	2022 £'000	2021 £'000
Current assets:		
Amounts owed by group undertakings	100	53
Other debtors	331	377
Other taxation and social security	-	1,457
Deferred tax assets	-	442
	<u>431</u>	<u>2,329</u>
Non-current assets:		
Amounts owed by group undertakings	<u>193,914</u>	<u>193,914</u>
Total trade and other receivables	<u><u>194,345</u></u>	<u><u>196,243</u></u>

Within non-current assets, amounts owed by group undertaking after more than one year relates to the £193,914,000 loan with Jacobs Douwe Egberts GB Ltd, a wholly owned subsidiary. The redemption date of the loan is 31 March 2024.

Within current assets, the amounts owed by group undertakings within one year consist of £100,000 (2021: £53,000) with fellow subsidiaries of the group.

12. Current liabilities

	2022 £'000	2021 £'000
Amounts owed to group undertakings	79,281	33,666
Other accruals	727	757
Other taxation and social security	352	-
	<u>80,360</u>	<u>34,423</u>

The amounts owed to group undertakings consist of £79,281,000 (2021: £33,666,000) with fellow subsidiaries of the group are non-interest bearing and repayable on demand.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

13. Provisions

	Liabilities of Subsidiaries £'000
At 1 January 2021	(7,238)
Released in the year	538
At 31 December 2021	(6,700)
Charge in the year	(338)
At 31 December 2022	(7,038)

The Company entered into banking cross guarantee with various subsidiary companies and the Company has also agreed to provide support to Courtaulds Textiles (Holding) Limited, a 100% subsidiary of the company, to enable them to settle their liabilities as they fall due. This support is provided because the subsidiary is not generating income.

It is also considered unlikely that this subsidiary will be able to settle its external liabilities as they fall due and therefore these external liabilities are provided for.

14. Deferred tax

The following are the major deferred tax liabilities/(assets) recognised by the Company and movements thereon during the current and year.

	Retirement benefit obligations £'000	Other £'000	Tax losses £'000	Total £'000
At 1 January 2022	104,393	(442)	(67,554)	36,397
Charge / (credit) to other comprehensive income	(15,207)	60	8,082	(7,065)
Charge to income statement	1,968	382	370	2,720
At 31 December 2022	91,154	-	(59,102)	32,052

At the reporting date the Company has unused tax losses which are available for offset against future notional interest income on the intercompany loan with Jacobs Douwe Egberts GB Limited. A deferred tax asset has been recognised in respect of these losses.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Deferred tax (continued)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022	2021
	£'000	£'000
Deferred tax liabilities	91,154	104,393
Deferred tax assets	(59,102)	(67,996)
	32,052	36,397

At the balance sheet date, the Company has unused tax losses of £326,778,992 (2021: £328,483,129), represented by non-trading deficits of £13,360,564 (2021: £15,064,701) and management expenses of £313,418,428 (2021: £313,418,428).

15. Share capital

	2022	2021
	£'000	£'000
Authorised, Issued and fully paid:		
248,844,619 'A' ordinary shares of £1 each (2021: 248,844,619)	248,845	248,845
7,864,462 'B' ordinary shares of £1 each (2021: 7,864,462)	7,864	7,864
	256,709	256,709

The 'A' ordinary shares relate to the D.E Holding UK Limited business prior to the acquisition of Jacobs Douwe Egberts PRO GB Ltd (formerly Douwe Egberts Professional UK Limited), and the 'B' ordinary shares relate to the Jacob Douwe Egberts PRO GB Ltd business.

Dividends and any surplus on winding up are to be paid to each class of share based on the results of the respective businesses as determined by non-audited financial statements drawn up, analysing the combined group into these two businesses.

The articles provide that the Company may repurchase its own shares, subject to the provisions of relevant legislation.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes

Defined benefit schemes

The Company is the Principal Employer for the Jacobs Douwe Egberts UK Pension Plan ("the Plan") although no individuals are employed directly by the Company. The Plan is a defined benefit pension plan and the plan was closed to future accrual in June 2021. The Plan assets are legally separated from the Company. The trustee of the Plan is a Corporate Trustee and is required by law to act in the best interests of the fund's beneficiaries.

There is no contractual agreement or stated policy for charging the net defined benefit cost and therefore, the Company, which is the Principal Employer for the schemes, recognises the whole of the scheme surplus or deficit in its financial statements.

The cost of the defined benefit plans is calculated in accordance with FRS 101, based on formal actuarial valuations independent qualified actuaries. A valuation of liabilities has been performed at 31 December 2022 using the projected unit credit method.

In line with normal practice, valuations are undertaken on a triennial basis. Defined benefit obligations as at 31 December 2022 are based on a valuation of member benefits as at 31 December 2022 but based on membership data as at 1 April 2022 updated to 31 December 2022 using updated salary and benefit payment data. Benefits are attributed to service based on the benefit formula applicable to each Section of the Plan.

The main risk which the Plan exposes the Company to is the requirement to meet any deficit arising within the Plan. Examples of risks that could result in a deficit along with mitigating strategies are set out below:

- Investment returns on the Plan's assets being lower than assumed in the actuarial valuation. This risk is reduced by the Trustee having a process in place to monitor investment performance monthly as well as reviewing the Plan's investment strategy alongside each actuarial valuation. The investment strategy makes allowance for the nature of liabilities, for example investing in gilts in respect of pensioner liabilities.
- Gilt yields reducing in future which result in the liability value increasing by more than the Plan's assets. The Trustee have an investment strategy which hedges a significant proportion of the exposure to changes in interest rates;
- Price inflation could be higher than that assumed resulting in the liability value increasing by more than the Plan's assets. The Trustee have an investment strategy which hedges a significant proportion of the exposure to changes in inflation rates; and
- Plan members living longer than assumed would result in the liability value increasing by more than the Plan's assets. The Trustee uses a prudent mortality assumption when determining the value placed on liabilities so that higher reserves are targeted in respect of the risk than are expected to be necessary.

Actuarial assumptions

The main actuarial assumptions used by the actuaries in calculating the pension liabilities were as follows:

	2022	2021
	Total	Total
	%	%
Discount rate	4.80	1.85
Rate of salary increases	-	-
Inflation assumption	3.40	3.50

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes (continued)

The mortality assumptions used were as follows:

	2022 Years	2021 Years
Life expectancy of a male aged 65 now	21.50	21.60
Life expectancy of a female aged 65 now	23.50	23.60
Life expectancy of a male aged 65 in 15 years	22.30	22.50
Life expectancy of a female aged 65 in 15 years	24.45	24.80

Reconciliation of net balance sheet position

	2022 Total £'000	2021 Total £'000
Net defined benefit asset as at 1 January	417,573	255,432
Income recognised in the profit and loss	5,711	2,508
Remeasurement loss recognised in OCI	(60,826)	154,819
Employer contributions paid to plan assets	2,160	4,814
Net defined benefit asset as at 31 December	364,618	417,573

Value of Plan assets/liabilities

The major categories and fair values of Plan assets for each category as at 31 December 2022 were as follows:

	2022 Total £'000	2021 Total £'000
Equities ⁽¹⁾	103,782	149,476
Cash and cash equivalents	7,447	70,747
Other quoted securities ⁽²⁾	1,238,496	1,629,836
Fair value of plan assets	1,349,725	1,850,059
Present value of defined benefit obligations	(985,107)	(1,432,486)
Net defined benefit asset as at 31 December	364,618	417,573

⁽¹⁾ Pooled investment vehicles where the underlying investments are equities quoted in an active market.

⁽²⁾ Bespoke LDI fund of which the underlying securities are government bonds and index linked government bonds.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes (continued)

Change in the present value of the defined benefit obligations during the year

	2022	2021
	Total	Total
	£'000	£'000
1 January	1,432,486	1,563,423
Current service cost	-	3,391
Past service cost – plan amendment	-	(3,595)
Interest cost on defined benefit obligation	25,856	23,210
Plan participants' contributions	-	28
Administration costs and taxes	2,014	1,742
Disbursements paid	(60,265)	(59,716)
Actuarial (gain)	(414,984)	(95,997)
31 December	985,107	1,432,486

Change in fair value of Plan assets during the year

	2022	2021
	Total	Total
	£'000	£'000
1 January	1,850,059	1,818,855
Interest income on Plan assets	33,581	27,257
Employer contributions	2,160	4,814
Plan participants' contributions	-	28
Disbursements paid	(60,265)	(59,716)
Return on Plan assets (less) / greater than discount rate	(475,810)	58,821
31 December	1,349,725	1,850,059

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes (continued)

The actual return on Plan assets in the year was a loss of £446,609,761 (2021: 86,077,149 gain).

Amounts recognised in profit and loss for the year were as follows:

	Year ended 2022 Total £'000	Year ended 2021 Total £'000
Current and past service cost ⁽¹⁾	-	(203)
Interest cost on defined benefit obligation	25,856	23,210
Interest (income) on assets	(33,581)	(27,257)
Net interest (income) (asset) ⁽²⁾	(7,725)	(4,250)
Administration costs and taxes ⁽²⁾	2,014	1,742
(Income) recognised in P&L	(5,711)	(2,508)

⁽¹⁾ As explained above, no individuals are employed by the Company. The current service costs shown are cross charged to the profit and loss account of the entities in which the individuals are employed.

⁽²⁾ Net interest cost/income, administration costs and taxes are charged to the profit and loss account of the Company, under interest receivable and similar income, or interest payable and similar charges, as appropriate.

Statement of Comprehensive Income disclosures:

Amounts recognised in other comprehensive income for the year were as follows:

	Year ended 2022 Total £'000	Year ended 2021 Total £'000
Return on Plan assets less/(greater) than discount rate	475,809	(58,821)
Actuarial loss/(gain) due to experience on defined benefit obligation	74,380	(54,668)
Actuarial (gain) due to changes in demographic assumptions	(11,349)	(1,943)
Actuarial (gain) due to changes in financial assumptions	(478,014)	(39,387)
Net re-measurement loss/(gain) recognised in other comprehensive income	60,826	(154,819)

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes (continued)

Sensitivity analysis

The discount rate, inflation, salary growth and the mortality assumptions all have a significant effect on the amounts reported. A 0.5-percentage point change, in isolation, in certain assumptions as at 31 December 2022 for the scheme liabilities would have had the effects shown in the table below

	0.5 percentage point	
	Increase	Decrease
	£'000	£'000
Discount rate		
Effect on pension obligation at 31 December 2022	(53,802)	59,512
Inflation rate		
Effect on pension obligation at 31 December 2022	33,679	(33,750)

Management believe that the methods and assumptions used in preparing the above sensitivity analysis is a reasonable approximation of the potential changes in the assumptions. Due to the closure of the pension plan to new accrual, there is no measure for salary growth sensitivity.

Expected cash flow for the following year

	Year ended 2022 Forecast Total £'000	Year ended 2021 Forecast Total £'000
Employer Contributions to Plan Assets	2,112	2,014
Plan Participants' Contributions to Plan Assets	-	-
Benefit Payments from Plan Assets	80,854	69,747
Administration Costs Paid from Plan Assets	2,112	2,014

The average duration of the defined benefit obligation at 31 December 2022 is 11.803 years (2021: 15.506 years).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Retirement benefit schemes (continued)

Pension funding arrangements

The most recent full actuarial valuation of the Plan was carried out as at 1 April 2021 by Mercer Limited, One Christchurch Way, Woking, Surrey, GU21 6JG. The funding level at this date showed the funding level to be at 109% of the Plan's agreed technical provisions. Based on the scheme's own Summary Funding Statement based on scheme specific assumptions the surplus as at 31 December 2022 was £274,089,157 with a funding position of 125%.

The scheme was closed to future accrual in June 2021 – given the closure to future accrual and the strong funding position of the plan, the company no longer pays contributions to the plan.

The Company will also reimburse the Trustee for any reasonable administration and governance expenses incurred by the Trustee in the management of the Plan and for the full cost of the PPF levies payable in respect of the Plan. All investment related expenses are met out of Plan assets.

17. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is JDE Peet's N.V., a Company incorporated in the Netherlands.

The Company's immediate controlling party is Jacobs Douwe Egberts International B.V.

The parent undertaking of the largest, and smallest group, which includes the Company and for which group financial statements are prepared, is JDE Peet's N.V., a Company incorporated in the Netherlands. Copies of the group financial statements of JDE Peet's N.V. are available from the registered offices at Oosterdoksstraat 80, 1011 DK Amsterdam, The Netherlands.