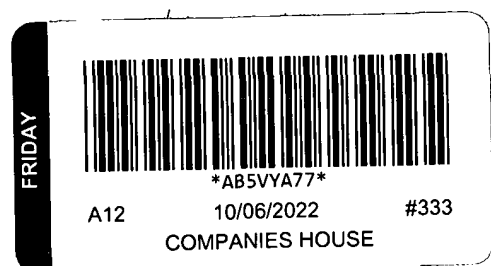


KWS UK LIMITED

COMPANY REGISTERED NUMBER 01578784

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021



KWS UK LIMITED

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KWS UK LIMITED

STRATEGIC REPORT

The directors present their strategic report on the affairs of the company, together with the directors' report, financial statements and auditor's report for the year ended 30 June 2021.

Business Review and Principal Activities

The company is a wholly owned subsidiary within the KWS group of companies and operates within the cereals, sugar beet and corn industries.

The principal activity of the company is the development, production and sale of improved varieties of wheat and barley for the UK and Northern European agricultural markets along with the sale of varieties of oilseed rape, corn and sugar beet in the UK. Turnover is generated both through the sale of seeds and royalties paid by users of varieties developed by the company. There have not been any significant changes in the company's principal activities in the year under review.

The company continues to invest in research and development (R&D). This has resulted in registration of new high performing proprietary varieties in the year with good prospects for commercial launch in the next cropping year. The directors regard R&D investment as necessary for continuing success in the medium to long term future.

Total Turnover 2020/2021 is £37,262,000, which is a decrease from 2019/2020 of 4.6% (£1,778,000). In 2020/21 seed turnover decreased in 2 business units - by 13.4% (£1,419 k) in Corn, by 0.4% in Cereals (£17 k) and increased by 15.7% in Sugar Beet (£1,229 k). In the same fiscal year, the income from royalties decreased by 11.8% to £12,986 k.

The company's operating profit has decreased from £8,267,000 in 2019/2020 to £7,036,000 in 2020/2021.

The statement of financial position on page 16 of the financial statements shows that total equity has decreased from £37,995,000 to £16,281,000.

There are no significant events since the balance sheet date.

The Board monitors the company's performance in a number of ways including key performance indicators. The key performance indicators together with the information for 2020/2021 and 2019/2020 are as follows:

	2021	2020
	£'000	£'000
EBIT	7,036	8,267
Staff Costs	4,484	4,256
Average Employees	67	67

The KWS group manages its operations on a business unit basis. For this reason, the company's directors believe that further key financial performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the business units of KWS which include the company is included in the group's Annual Report which does not form part of this Report.

KWS UK LIMITED

STRATEGIC REPORT (continued)

Employee retention

The retaining of employees is of key importance to the company and is reported on an annual basis. Employee turnover is calculated on the number of leavers as a percentage of the average total number of employees in the period for employees with permanent employment contracts. In FY20/21 the percentage employee turnover was 15% against 9% in 2020.

The impact of Brexit on local staff should be minimal. The only area where KWS UK might be impacted would be casual EU summer student workers. KWS UK would most likely look locally to replace these workers if there were to be any changes to visa requirements due to Brexit.

Employee health & safety

The company measures its Health and Safety performance in relation to accidents at work resulting in absence or the inability of employees to conduct the full range of their normal working activities as defined in the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). In the year ended 30 June 2021 there were no RIDDOR reportable accidents and no lost time accidents.

Principal risks and uncertainties

Financial risk

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company's credit exposure is spread over a large number of customers. The credit risk on group balances is considered to be limited due to the diversity and financial stability of the group. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. In the normal course of business, the company obtains supplies from overseas and sells to some overseas customers. The company does not use derivative products to manage the risk of foreign exchange movements. Deposits are predominantly held under cash pooling arrangements with the ultimate parent company.

Covid-19

The impact of Covid-19 has been minimal on the KWS UK Business which has remained fully operational. The business and its workers are considered essential under the Coronavirus Act 2020. Sales have not been nor forecast to be affected by the pandemic. Furthermore, the company has not furloughed any staff.

The company has been proactive in its response to Covid-19. Management has been holding biweekly meetings to inform staff of the measures in place to abide by KWS Group and Government guidelines. Employees are encouraged to work from home and will continue to do so until given the all clear by the KWS Group.

KWS UK LIMITED

STRATEGIC REPORT (continued)

Brexit

Brexit has been monitored closely and KWS has representation on all the key agricultural political bodies for both communication and influence.

We have been working for the past 2 years to mitigate the risks of restricted trade of varieties licensed in EU or UK from cross border protection

During the Brexit roll out we had no significant issues except ad hoc paperwork and haulage issues over the initial period but this was managed and created no business risk or significant cost.

The only further changes would come from future trade agreements or agricultural policies which cannot be predicted at the present but would pose no greater risk for KWS than any agricultural business and we are able to adapt quickly.

Current forecasts and strategic plans take into consideration future forecasts of the market environment

Other risks

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, maintaining strong relationships with customers and continuous improvement in new product development.

The use of farm saved seed is a continuing risk for the company which could result in lower sales value from high market shares. The company manages this risk by involvement in trade association royalty collection schemes and regular improved product introductions.

The company's overseas sales are made predominantly in Euros and some seeds are purchased in Euros. Therefore, the company is exposed to movement in the Euro to Pound exchange rate. The company treasury function maintains cash deposits in both currencies and overseas sourced raw materials are also purchased in Euros. This along with active maintenance of price lists reduces the risk to low levels.

The company has no interest bearing third party debt and cash in hand is invested in low risk deposits, the company has minimal exposure to interest rate changes.

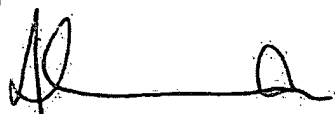
Group risks are discussed in the group's Annual Report which does not form part of this Report.

Section 172 (1) Companies Act 2006

For details of how the company had regard for its stakeholders on principal decisions taken by the company refer to the Directors' Report.

By Order of the Board

A Newby –Director



Date:

6/6/2022

KWS UK LIMITED

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements for the year ended 30 June 2021.

Directors

The Directors who served throughout the year and to the date of this report were as follows:

Mr. A. Newby

Dr. C. Tapsell

Mr. R. Hunt

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Charitable and political contributions

During the year the company didn't make charitable donations (2020 - Nil). No donations were made to political organizations.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. This is achieved through formal and informal meetings and the company intranet. A group employee share scheme in the ultimate parent company is available to all employees and in addition, all employees receive an annual bonus related to the overall profitability of the company.

Environment

The company recognizes the importance of its environmental responsibilities and designs and implements policies to reduce any damage that may be caused by the company's activities. Initiatives designed to reduce the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Results and Dividends

The profit after tax for the year ended 30 June 2021 was £6,286,000 (30 June 2020 - £7,360,000). The directors declared a dividend payment for this fiscal year of £28,000,000 to KWS International Holdings B.V. (2020 - Nil).

KWS UK LIMITED

Future Developments

The directors expect to maintain market position in its key crops of cereals, maize and sugar beet. Oilseed rape plantings are down which is common across Western Europe due to establishment issues following seed treatment regulations.

Market shares are in line with budget and forecast but there will be lower EBIT than expected due to the very wet winter conditions which delayed drilling between October and March for cereals. We have seen an upside in spring cereal plantings and also maize which will compensate to an extent.

Post balance sheet events

The impact of Covid-19 continues to be minimal on the KWS UK Business which has remained fully operational. The business and its workers are considered essential under the Coronavirus Act 2020. Sales have not been and are not forecast to be affected by the pandemic.

The Ukraine/Russia conflict has had little to no impact on the UK business and will not be of any significance going forward.

There is no material business done in the Russia/Ukraine region from KWS UK. Only current business is one aging wheat license variety generating €150k royalty.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1. The strategic report on pages 1 to 3 and the directors' report on pages 4 to 5 describe the financial position of the company; its cash flows, liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company has prepared a cashflow forecast for the period to 30 June 2023, being the going concern review period. The company's forecasts, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current resources.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period to 30 June 2023, being the going concern review period. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006;

KWS UK LIMITED

S172 (1) STATEMENT

The Board of directors has given appropriate consideration to the duties set out in section 172 (1) (a) to (f) of the Companies Act 2006, both with regard to the decisions it takes and considering and understanding the impact of those decisions on all stakeholders.

The following table sets out key stakeholders identified and the considerations in relation thereto:

Our Stakeholders	Why they are important to us	How we have engaged	What matters to our stakeholders?	What have we done?
Employees	<p>Our employees are our biggest asset. It is vital that all employees understand and are aligned with our core values and principles.</p> <p>We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their well-being.</p> <p>Well supported and engaged colleagues help us deliver our purpose.</p>	<p>We are focused on employee engagement and have undertaken several initiatives to engage employees</p> <ul style="list-style-type: none"> • All employees participate in regular company updates • All employees undergo regular performance and personal development reviews • There are a variety of Employee surveys that take place to gather feedback to help lead to improvements 	<ul style="list-style-type: none"> • Communication is the key to the engagement of our employees • Opportunities for career development within our organization • An alignment to our Vision and Goals • A safe working environment • Training and Learning opportunities 	<ul style="list-style-type: none"> • Monthly Company updates • Weekly Covid 19 updates • H&S Policy reviewed and analyzed at Board Meetings • Support staff training and learning opportunities • Employee Dialogues to provide feedback and development

KWS UK LIMITED

Customers	<p>Understanding the needs of our customers is vital to the future success of our business and we are part of a complex supply chain and we need the pull of our products from the ultimate consumer. Having them aligned is key.</p>	<ul style="list-style-type: none"> • Regular visits from our sales team • During Covid 19 we have found new ways to communicate with our customers – Online/email/social media • Constant communication with customers regarding Brexit planning • Annual conference to present and share our strategy and plans 	<ul style="list-style-type: none"> • Listening and understanding their needs • Supply of consistent quality product • Fair payment terms/open to negotiation • Ensure the required varieties are readily available • Provide expert product knowledge as part of the service 	<ul style="list-style-type: none"> • Ensuring quality standards and supply times • Constant communication with customers – Field Visits/online • Participation in customer events
Suppliers	<p>Our supplier base consists of a large number of quality local organizations.</p> <p>These suppliers play a key role in ensuring the quality of our product and service.</p>	<ul style="list-style-type: none"> • Supply agreements with all key suppliers • Regular communication relating to the supplier and company's Brexit Mitigation and Planning 	<ul style="list-style-type: none"> • Prompt payment in line with agreed terms • Minimize Brexit implications for their business • Clear communication of the product required 	<ul style="list-style-type: none"> • Negotiating payment terms for smaller farmers/suppliers • Review and negotiate payment terms on a regular basis
Regulatory Bodies	<p>Play a crucial role in maintaining industry standards and also representing the industry in front of major stakeholders including politicians and government.</p> <p>Maintain EU links.</p>	<ul style="list-style-type: none"> • Proactively support and engage with all relevant regulatory bodies • Provide support and information at request 	<ul style="list-style-type: none"> • Positive compliance with regulations • Public support especially in times of change • Critical feedback 	<ul style="list-style-type: none"> • Created active communication • Engage with resource support including active roles on committees and management boards.

KWS UK LIMITED

Principal Decisions

We define principal decisions as both those that are material to the company, as well as those decisions that are significant to any of our key stakeholder groups identified above.

In making the principal decisions summarized in the table below, the Board considered the outcome from its stakeholder engagement and considers that it met on a regular basis to discharge their duties fully.

Performance Monitoring	<ul style="list-style-type: none"> The Board regularly reviewed the Financial performance of the company and approved its Business Plan and forecasts for the upcoming Year The Board also met to approve the Annual Accounts during the year 	Audit and Risk	<ul style="list-style-type: none"> The Board reappointed Ernst and Young LLP as the auditor of the company
Brexit Mitigation	<ul style="list-style-type: none"> Brexit Mitigation and planning is of interest to Employees, Customers and Suppliers as it gives confidence regarding the long-term security of the Business. The Board met several times throughout the year to ensure that all the necessary steps were taken to ensure a smooth transition away from the EU. 	Corporate and Social Responsibility	<ul style="list-style-type: none"> C&SR is of increasing importance to customers who strive to ensure an ethical and responsible supply chain as well as employees who enjoy the opportunity to give back to the community. The Board appointed a Sustainability project team made up of various employees to look at how KWS UK can improve its Environmental impact. The Board signed off on the Environmental Statement during the year.
Covid 19 Mitigation	<ul style="list-style-type: none"> Covid 19 severely impacted all stakeholders. The Board appointed a dedicated Covid Team (including Directors) that have met weekly throughout the year to manage all Covid related activities. They would then communicate to the wider group of employees the 	Health and Safety	<ul style="list-style-type: none"> Health and Safety is a major topic that effects our most important stakeholder – our employees The Board Signed off on the H&S Policy during the year This Policy is reviewed at every Board meeting along with the analysis provided by the H&S Officer The Board places significant importance on H&S to ensure that the

KWS UK LIMITED

	decisions and plans to be put in place <ul style="list-style-type: none"> Customers and Suppliers were also informed of all changes in a timely manner to ensure that they too could also plan during these testing times. 		business provides a safe working space for its employees
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SECR report

Energy and Carbon report

This report is provided to comply with the UK government's policy on Streamlined Energy and Carbon Reporting.

CHG Emissions and energy data

	Year to 30 June 2021	Year to 30 June 2020
EMISSIONS		
Transport Fuel – Lease Cars ('tCO ₂ e) (Scope 1)	16	49
Transport Fuel – Agricultural Vehicles tCO ₂ e (Scope 1)	295	232
Purchased electricity tCO ₂ e (Scope 2, location based)	314	325
Total gross emissions tCO₂e based on above	625	606
INTENSITY RATIOS		
tCO ₂ e per £m revenue	16.77	15.52

Methodology

The emissions and energy data noted above has been collated, calculated and presented using the methodology set out in WRI / WBSCD The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), March 2004, including separate guidance on Scope 2 and Scope 3 emissions.

KWS UK LIMITED

Energy efficiency actions taken


During the year the Board appointed a Sustainability project team, which focused on many areas to help improve the energy efficiency of KWS UK. These improvements included:

- Waste recycling
- Continuation of the light replacement project with the installation of more efficient LED lights
- Greater usage of Green Electricity
- Greater analysis of data to come up with more energy efficient decisions for the future.

KWS UK recognizes the importance of reducing it's Carbon emissions. The Sustainability team has a variety of ideas for the future and will look to build on these initial steps in the coming years

By Order of the Board

A Newby – Director



Date:

6/6/2022

KWS UK LIMITED

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

KWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWS UK LIMITED

Opinion

We have audited the financial statements of KWS UK Limited for the year ended 30 June 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 June 2023.

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

KWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWS 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 this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

the information given in the strategic report and 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

KWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWS UK LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, the Financial Reporting Standard 101 and UK Tax Legislation.
- We understood how the company is complying with those frameworks by considering the potential for override of controls or other inappropriate influence over the financial reporting process (such as efforts by management to manage earnings), understanding the culture of honesty and ethical behaviour within the company over our term as auditor of the company, and observing whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls

KWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWS UK LIMITED (Continued)

in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved direct enquiries with those charged with governance as well as specific analysis and testing of expenses incurred in the year to ascertain the nature of such costs and confirm their non-relation to non-compliance with laws and regulations. In addition, we performed detailed testing around manual journals for identified fraud risks, corroborating balances where necessary to underlying supporting documentation. The results of these procedures did not identify any such instances of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Rachel Wilden (Senior statutory auditor)
For and on behalf of Ernst & Young LLP
Cambridge, United Kingdom
Date: 7 June 2022

KWS UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		Total	Total
		£'000	£'000
Turnover	3	37,262	39,040
Cost of sales		-20,974	-20,949
Gross profit		16,288	18,091
Distribution costs		-3,634	-3,957
Administrative expenses		-6,627	-6,108
Other operating income	7	1,009	241
Operating profit and profit on ordinary activities before interest	4	7,036	8,267
Interest receivable and similar income (net)	8	5	143
Profit on ordinary activities before taxation		7,041	8,410
Tax on profit on ordinary activities	9	-755	-1,050
Retained profit for the year		6,286	7,360

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

There is no comprehensive income or expenses other than the profit for the financial year and the preceding financial year.

KWS UK LIMITED

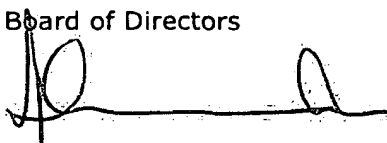
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	<u>2021</u> £'000	<u>2020</u> £'000
Fixed assets:			
Intangible assets	10	-	1
Tangible assets	11	8,207	8,225
Investments	12	-	-
		<u>8,207</u>	<u>8,226</u>
Current assets:			
Stocks	13	1,086	463
Debtors	14	3,067	29,183
Cash at bank and in hand		11,517	5,491
		<u>15,670</u>	<u>35,137</u>
Creditors: amounts falling due within one year	15	-6,393	-4,332
Net current assets		<u>9,277</u>	<u>30,805</u>
Total assets less current liabilities		17,484	39,031
Creditors: amounts falling due after more than one year	15	-342	-368
Provision for liabilities - Deferred tax	9	-861	-668
Net assets		<u>16,281</u>	<u>37,995</u>
Capital and Reserves :			
Called up share capital	16	1,872	1,872
Capital redemption reserve	16	2,873	2,873
Profit and loss account	16	11,536	33,250
Total equity shareholders' funds		<u>16,281</u>	<u>37,995</u>

The financial statements of KWS UK Limited, registered number 01578784, were approved by the Board of Directors on

Signed on behalf of the Board of Directors

A Newby – Director



6/6/22

The notes on pages 19 to 34 form part of these financial statements.

KWS UK LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

	Called-up Share Capital	Profit & loss account	Capital redemption reserve	Total
	£'000	£'000	£'000	£'000
At 1 July 2019	1,872	25,890	2,873	30,635
Profit for the year and total comprehensive income	-	7,360	-	7,360
Dividends paid (note 17)	-	-	-	-
At 30 June 2020	1,872	33,250	2,873	37,995
Profit for the year and total comprehensive income	-	6,286	-	6,286
Dividends paid (note 17)	-	-28,000	-	-28,000
At 30 June 2021	1,872	11,536	2,873	16,281

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies

The principal accounting policies are summarized below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

KWS UK Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act. The address of the registered office is 56 Church Street, Thriplow, Royston, SG8 7RE. The nature of the company's operations and its principal activities are set out in the Strategic report on pages 1 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available which are noted below:

- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenues from Contracts with Customers*
- The requirements in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - a. paragraph 79(a)(iv) of IAS 1;
 - b. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - c. paragraph 118(e) of IAS 38 *Intangible Assets*;
 - d. paragraph 76 and 79(d) of IAS 40 *Investment Property*; and
 - e. paragraph 50 of IAS 41 *Agriculture*.
- The requirements of paragraphs 10(d), 10(f), 16, 38 A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statements of Cash Flows*.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*.
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two and more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies (continued)

- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Where relevant, equivalent disclosures have been given in the group accounts of KWS SAAT SE. The group accounts of KWS SAAT SE are available to the public.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1. The strategic report on pages 1 to 3 and the directors' report on pages 4 to 5 describe the financial position of the company; its cash flows, liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company has prepared a cashflow forecast for the period to 30 June 2023, being the going concern review period. The company's forecasts, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current resources.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period to 30 June 2023, being the going concern review period. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

Exemption from preparation of consolidated accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 and IFRS 10 as it is a wholly-owned subsidiary undertaking of KWS SAAT SE, a company incorporated in Germany, and is included in the consolidated accounts of KWS SAAT SE which are available from its registered office. The parent company has been informed of the exemption.

Intangible assets

Customer contracts and licenses have been capitalized on acquisition at fair value which has been deemed to be equivalent to the consideration paid and written off on a straight-line basis over its useful economic life, which is 5 years. Impairment testing is performed every year and there are no substantial changes on the asset impairment value recognized in the financial statements, considering all assets are used in a profitable business purpose.

Tangible fixed assets

No depreciation is charged on freehold land. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected life from the date it is brought into use, as follows:

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies (continued)

Freehold buildings	20 to 50 years
Short leasehold property	over the life of the lease
Plant and machinery	3 to 10 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stocks

Stocks are stated at the lower of cost and net realizable value. Cost includes direct materials, labor and attributable overheads where appropriate. Net realizable value is based on estimated selling price less further costs expected to be incurred to completion and sale.

No stock value is attributed to growing crops in field trials that are treated as research and development expenditure, which is consistent with the statement in group reporting as defined under IAS 38.

Turnover

Turnover represents the amounts derived from the provision of goods, services and royalty receipts which fall within the company's ordinary activities. All turnover is stated net of value added tax. Revenue by way of seed sales are recognized once the company transfers control over products to the customer. Royalty income is accounted for on basis of declaration from customers and represents the amount due to the company in the year. All other income is recognized on an accrual basis.

Research and development

Research and development expenditure is written off as incurred due to the nature of the business the company operates in. Developing costs for new varieties are not capitalized. These costs do not meet all criteria's for capitalization. The company is not allowed to market any varieties not listed on the national list, thus the ability to sell these varieties is prohibited.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date.

All differences are taken to the Profit and Loss Account.

Financial instruments

Financial assets and financial liabilities are recognized in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies (continued)

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

The company's principal financial assets are bank balances and cash, trade debtors and other receivables.

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade debtors, which are more relevant to the company, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies (continued)

off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Significant accounting policies (continued)

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallize, based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Pensions and other employee benefits

The company operates a defined contribution pension scheme. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

The company has recognized the accrual costs for those of employees' entitlement to future paid absences, which has been calculated and booked in as part of total staff costs.

IFRIC 21 Levies

The company has continued applying IFRIC 21 Levies. IFRIC 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The application of this Interpretation has had no material impact on the disclosures or on the amounts recognized in the Company's financial statements.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, 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 continually evaluated and are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's

accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Revenue recognition

Revenue has been recognized as stated in Note 3 in line with the company's general policy of recognizing revenue when goods/services are delivered and the inflow of the benefit associated

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

with it will probably flow to the company and the amount of revenue can be measured with reliability. In recognizing royalty income, it has been recognized on the accrual basis of customers' declaration. The directors are satisfied that the declarations from our customers are in time and any further income, which related to the current year but not declared yet, is insignificant.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet 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.

Recoverability of outstanding trade debtors

At the balance sheet date, the Company has a balance of £ 522,000 of third party trade debtors and the majority of it is only due or overdue by six months the longest. The debtor control team has followed up with major customers and detailed debtor report has been sent and analyzed by all product managers. Based on the analysis information and historical records, the directors are confident the debtors at the reporting date will be recovered in full.

Leases

A lease is an agreement whereby the lessor conveys the right to use an asset for an agreed period of time to the lessee in exchange for a payment or a series of payments.

If the KWS UK is the lessee, leases are recognized as a right-of-use asset and lease liability in the balance sheet in accordance with the regulations of IFRS 16. In subsequent periods, the right-of-use asset is depreciated over the lease's term. This depreciation is recognized in the respective function costs. Interest expense is accrued on the lease liability in the course of the lease and the liability is reduced by the lease payments that have been made. The effect from the accrued interest is recognized in the interest expense under net financial income/expenses.

The lease payments for short-term leases and leases of low-value assets are recognized as operating expenses in accordance with the available exemption.

The right-of-use assets are recognized to the amount of the corresponding lease liabilities, adjusted for any prepaid or accrued lease payments if applicable. The right-of-use assets are reported in the balance sheet under a separate item. If the KWS UK is the lessor and the main risks and rewards from use of the leased object are transferred to the contractual partner, the lease is deemed to be a financial lease. The net investment in the lease is recognized as a receivable. If the KWS UK acts as a lessor as part of an operating lease, the lease payments are recognized as operating income in the income statement on a straight-line basis over the lease's term. The KWS UK leases primarily relate to lease agreements for office space, land and vehicles.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover

An analysis of the company's turnover is as follows:

	2021 £'000	2020 £'000
Sales of seeds	22,386	22,593
Royalty income	12,986	14,728
Sales Breeding Services	1,688	1,173
Sales - Other	202	546
Turnover	<u>37,262</u>	<u>39,040</u>

An analysis of the company's turnover by geographical market is set out below

	2021 £'000	2020 £'000
Geographical analysis of turnover		
United Kingdom	34,333	36,445
Other European Community	2,897	2,531
Rest of World	32	64
	<u>37,262</u>	<u>39,040</u>

4 Operating profit

	2021 £'000	2020 £'000
The operating profit is after charging		
Loss on sale of tangible fixed assets	-	-
Depreciation of owned fixed assets	574	610
Amortization of intangible fixed assets	-	-
Operating lease rentals – plant & machinery	85	44
Operating variable costs & lease – other	161	133
R&D Expenditure Credit	503	377
Grant income	321	321
Gain on foreign exchange	12	27

The analysis of auditor's remuneration is as follows

Fees payable to the Company's auditor for the audit of the Company's annual accounts

	55	43
Other services	-	-
Total non-audit fees	-	-

Expenses for short term leases and for leases relating to low value assets totalled £533,130 in the fiscal year 2020/21.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5 Directors' emoluments

	2021	2020
	£'000	£'000
Emoluments	406	431
Contributions to money purchase pension schemes	44	38
	<u>450</u>	<u>469</u>

The emoluments of the highest paid Director were:

	2021	2020
	£'000	£'000
Emoluments	146	159
Contributions to money purchase pension schemes	20	17
	<u>166</u>	<u>176</u>

Three directors were members of the money purchase pension scheme during the current and previous year. No director has exercised share options or received shares for qualifying services in either the current or prior year.

6 Employees

	2021	2020
	£'000	£'000
Staff costs:		
Wages and salaries	3,519	3,238
Social security costs	355	411
Other pension costs	610	607
	<u>4,484</u>	<u>4,256</u>

The average monthly number of full-time employees during the year was:

	2021	2020
	Number	Number
Research and development and production	57	44
Sales and administration	10	23
	<u>67</u>	<u>67</u>

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7 Other operating income

	2021	2020
	£'000	£'000
Other operating income	<u>1,009</u>	<u>241</u>

8 Interest receivables and similar income (net)

	2021	2020
	£'000	£'000
Interest from group undertakings	14	154
Interest expense IFRS 16	<u>-9</u>	<u>-11</u>
	<u>5</u>	<u>143</u>

9 Taxation

	2021	2020
	£'000	£'000
Current Tax		
United Kingdom Corporation Tax	<u>562</u>	<u>984</u>
Total current tax	<u>562</u>	<u>984</u>
Deferred Tax		
Origination and reversal of timing differences	<u>193</u>	<u>66</u>
Total deferred tax	<u>193</u>	<u>66</u>
Tax on profit on ordinary activities	<u>755</u>	<u>1,050</u>

From the current current tax credit of £1,134k -£402 k are credit related to adjustments for prior years. The current tax expenses for 2020/2021 amount to £ 964 k.

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom of 19% (PY: 19%). The differences are explained below:

	2021	2020
	£000	£000
Net income before taxation	<u>7,041</u>	<u>8,410</u>
Tax at 19% thereon (PY 19%)	1,338	1,598
Effects of		
Expenses not deductible for tax purposes	56	89
Patent box	-436	-650
Difference in tax rate - deferred tax	199	69
Tax expenses from prior years	<u>-402</u>	<u>-56</u>
	<u>755</u>	<u>1,050</u>

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). The March 2020 Budget then cancelled the enacted cut to 17%. The UK Budget 2021 announcements on 3 March 2021 included measures

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

to support the economic recovery as a result of the Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25% which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence not reflected in the measurement of deferred tax at the period end.

A deferred tax liability is recognized in respect of accelerated capital allowances and short term timing differences. The amount of the deferred tax liability comprises:

	2021
	£'000
Provision at start of period	668
Thereof:	
Accelerated capital allowances	-
Short term timing differences	193
Deferred tax credit in P&L for the period	-
Thereof:	
Accelerated capital allowances	-
Short term timing differences	-
Provision at end of period	861
Thereof:	
Accelerated capital allowances	861
Short term timing differences	-

10 Intangible assets

	Licences £'000	Software £'000	Total £'000
Cost			
At 1 July 2020	900	3	903
Additions	-	-	-
At 30 June 2021	900	3	903
Amortisation			
At 1 July 2020	900	3	903
Provided in year	-	-	-
At 30 June 2021	900	3	903
Net book value			
At 30 June 2020	-	1	1
At 30 June 2021	-	-	-

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11 Tangible fixed assets

The net book value of land and buildings at 30 June 2021 comprises freehold land and buildings of £4,969,000 (2020 - £5,214,000).

	Land and buildings	Plant and machinery	Assets in course of construction	Total
	£'000	£'000	£,000	£'000
Right-of-use assets				
At 1 July 2020	371	112	-	483
Additions	23	231	-	254
Charge for the year	-64	-231	-	-295
At 30 June 2021	330	112	-	443
Other tangible fixed assets				
Cost				
At 1 July 2020	8,328	7,106	430	15,864
Additions	33	89	477	599
Disposals	-	-87	-	-87
Transfers	-25	96	-71	-
At 30 June 2021	8,336	7,204	836	16,376
Depreciation				
At 1 July 2020	3,485	4,637	-	8,122
Charge for the year	212	362	-	574
Disposals	-	-85	-	-85
At 30 June 2021	3,697	4,914	-	8,611
Net book value				
At 30 June 2020	5,214	2,581	430	8,225
At 30 June 2021	4,969	2,402	836	8,207

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12 Fixed asset investments

	Shares in subsidiary undertakings	Other investments	Total
	£	£	£
Cost			
At 30 June 2020 and 30 June 2021	3	100	103
Impairment			
At 30 June 2020 and 30 June 2021	-3	-100	-103
Net book value			
At 30 June 2020 and 30 June 2021	-	-	-

Details of the investments in which the Company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business	Share capital £	Reserves £
Twyford Seeds Limited	England	Ordinary shares	100%	Dormant	2	-
CPB Twyford Limited	England	Ordinary shares	100%	Dormant	1	-

The share capital and reserves of all subsidiary undertakings are stated as at 30 June 2021.

13 Stocks

	2021 £'000	2020 £'000
Raw materials and consumables	55	88
Work in progress	238	359
Finished goods	793	16
	1,086	463

There is no significant difference between the replacement costs of stocks and their carrying amounts

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14 Debtors

	2021	2020
	£'000	£'000
Trade debtors	430	671
Amounts owed by group undertakings	135	72
Amounts owed by parent undertakings	0	26,303
Corporate income tax receivables	1,749	1,566
Other debtors	705	475
Prepayments and accrued income	48	96
	3,067	29,183

All amounts are due within one year.

15 Creditors: amounts falling due within one year and after one year

Current liabilities

	2021	2020
	£'000	£'000
Lease liabilities	101	117
Trade creditors	1,117	1,556
Amounts owed to group undertakings	3,289	1,418
Amounts owed to parent undertakings	439	-
Corporate income tax liabilities	-	-
Other tax liabilities	219	230
Other creditors	415	184
Accruals and deferred income	813	827
	6,393	4,332

Non current Liabilities:

	2021	2020
	£'000	£'000
Lease liabilities	342	368
	342	368

Trade creditors are non-interest bearing and normally settled on 30 days terms. Other creditors are non-interest bearing and have an average term of 1 month.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021
	£'000
Lease liabilities	
at 1 July 2020	485
Additions	255
Interest additions	9
Payments	<u>(306)</u>
Balance at 30 June 2021	<u>443</u>

	2021
	£'000
Lease liabilities are repayable:	
In not more than 1 year	101
In more than 1 year but less than 5 years	174
In more than 5 years	<u>168</u>
	<u>443</u>

16 Called up share capital and reserves

	2021	2020
	£	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1,871,616</u>	<u>1,871,616</u>

The company has one class of ordinary shares which carry no right to fixed income.

Capital Redemption reserve

This reserves records the nominal value of shares repurchased by the company.

Profit and loss reserves

This reserves' comprises accumulated profit and losses less dividends paid.

KWS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17 Dividend

	2021	2020
	£'000	£'000
Interim dividend paid of 0 (2020: no dividend) per ordinary share	28,000	-

18 Other financial commitments

The company had no commitments for future capital expenditure not provided for in the accounts.

19 Related parties

A close family member of one Director of the Company runs Hunt Agri Services Limited ("Hunt Agri"), which made purchases from the Company in the year of £122,640 (2020: £171,374) and provided land for a fee to the Company for use in maize trials along with commission owing amounting to £261,162 (2020: £237,439). At 30 June 2021 there was £9,000 (2020: £0) due to Hunt Agri.

20 Ultimate parent undertaking and controlling party

The direct parent undertaking of the company was KWS Lochow GmbH that controlled 100% of the voting share capital. From May 2020 there has been a change and the new parent undertaking of the company is International Holding B.V.

The smallest and largest group in which the company's results are consolidated is that of its ultimate parent and controlling entity, KWS SAAT SE & Co. KGaA which is registered in Germany. Copies of the consolidated financial statements can be obtained from Postfach 1463, Grimsehlstraße 31, Einbeck 37555, Germany.

21 Post balance sheet events

The impact of Covid-19 has been and is expected to continue to be minimal on the KWS UK Business which has remained fully operational. The business and its workers are considered essential under the Coronavirus Act 2020. Sales have not been and are not forecast to be affected by the pandemic and no employees have been furloughed.

The Ukraine/Russia conflict has had little to no impact on the UK business and will not be of any significance going forward.

There is no material business done in the Russia/Ukraine region from KWS UK. Only current business is one aging wheat license variety generating €150k royalty.