

Registration number: 02672448

ADM Wild UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



ADM Wild UK Limited

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ADM Wild UK Limited

COMPANY INFORMATION

Directors	D E Aisthorpe C M Poole H Freudenstein
Registered office	Think Park Trafford Park, Mosley Road. Stretford Manchester M17 1FQ
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

ADM Wild UK Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the Company during the year was that of the sale of fruit preparations, flavours, essences and compounds to the beverage and food industry.

Fair review of the business

The results for the year are set out on page 9.

The Company's turnover has increased by 64% compared to the prior year due to customers who rerouted their purchases directly to the Company from the other group entities. The gross margin decreased from 26% in 2020 to 16% in 2021 and operating margin decreased from 6% to 3% in 2021.

Net current assets increased from £2.3m in 2020 to £2.8m in 2021 mainly due to higher cash at bank and in hand. Net assets at the balance sheet date amounted to £2.7m (2020: £2.2m).

The Directors are not, at the date of this report, aware of any likely changes in the Company's activities in the next year and the future plans of the Company are to continue to focus on sales growth.

Financial key performance indicators

The Directors consider the key performance indicators for the business to be sales, margins and profit before tax. Turnover was £24,482,205 (2020 - £14,970,883), an increase of 64%. Gross profit was £3,920,744 (2020 - £3,858,194) an increase of 2%. Profit before tax was £664,151 (2020 - £863,213) a decrease of 23%. The Directors are satisfied with the performance in each of these areas given the economic conditions.

In addition to financial measures the Board also monitors and proactively reviews health and safety in all areas. This is, and will remain, a key management priority and the objective of all involved in the business is to continually improve the working environment to avoid or minimise any threats to the safety and well-being of our employees.

ADM Wild UK Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Principal risks and uncertainties

The Directors have considered and reviewed the provisions included within the Companies Act 2006 relating to financial risk management objectives and policies, including any associated use of financial instruments. As part of the review, the Directors have also considered the exposure of the Company to liquidity risk, credit risk and foreign currency in order that an overall assessment can be made of the Company's assets, liabilities, its financial position and its result for the year.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the ADM Group are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines on how to manage risk and the circumstances where it would be appropriate to use financial instruments.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and foreign currency risk.

Liquidity risk

The Company's only funding requirement is for short-term finance for its operations and planned expansions. This is provided by another ADM Group undertaking which charges interest on a floating rate basis calculated monthly. There is no fixed repayment date.

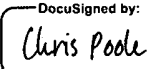
Credit risk

There are no significant concentrations of credit risk within the Company. The Company has implemented policies that require appropriate credit checks on potential customers prior to sales being made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed continuously by the Executive Management team and credit control department.

Foreign currency risk

Exchange rate risk is faced by the Company as a result of significant dealings in foreign currencies (Euro) with the suppliers. The Company have mitigated these risks as far as possible through the use of natural hedging methods such as buying and selling in Euro currency next to the business in GBP. Net position in Euro is hedged with the short-term spot and long-term forward currency hedges to mitigate its currency risk related to transactions denominated in currency other than its functional currency.

Approved by the Board on 25 July 2022 and signed on its behalf by:

DocuSigned by:

.....4AE7AD805B0C493:.....
C M Poole
Director

Dated: 25 July 2022

ADM Wild UK Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' of the company

The directors, who held office during the year, were as follows:

D E Aisthorpe

C M Poole

H Freudenstein

Dividends

The Directors do not recommend payment of an ordinary dividend (2020: £Nil)

Future developments

The Company continues to face strong competition; however, the Directors believe that the existing management policies will ensure that the Company is in a good position to take advantage of any opportunities which may arise.

Post Balance Sheet Events

On 24 February 2022, Russian troops invaded Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia. The war in Ukraine and related events that have taken place at a time of significant global economic uncertainty and volatility have not significantly impacted the operations of ADM Wild UK Limited.

Directors' liabilities

The Company has granted an indemnity to one or more Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

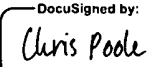
Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditor, RSM UK Audit LLP, has indicated willingness to continue in office.

Approved by the Board on 25 July 2022 and signed on its behalf by:

DocuSigned by:

.....4AE7AD805B0C493.....
C M Poole
Director

Dated: 25 July 2022

ADM Wild UK Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 101 'Reduced disclosure framework' 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.

ADM Wild UK Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADM WILD UK LIMITED

Opinion

We have audited the financial statements of ADM Wild UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including 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 state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

ADM Wild UK Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADM WILD UK LIMITED (CONTINUED)

Opinion on other matter 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.

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 the 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

ADM Wild UK Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADM WILD UK LIMITED (CONTINUED)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing disclosure checklists and inspecting any correspondence with tax authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business as well as revenue cut off testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.

Helen Hunt

.....
Helen Hunt (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Dated: 25/07/22.....

ADM Wild UK Limited**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	24,482,205	14,970,883
Cost of sales		<u>(20,561,461)</u>	<u>(11,112,689)</u>
Gross profit		3,920,744	3,858,194
Distribution costs		(569,208)	(672,145)
Administrative expenses		(2,811,842)	(2,567,745)
Other operating income		<u>195,817</u>	<u>325,221</u>
Operating profit	5	<u>735,511</u>	<u>943,525</u>
Interest receivable and similar income	6	5,124	13,469
Interest payable and similar expenses	7	<u>(76,484)</u>	<u>(93,781)</u>
Net finance cost		<u>(71,360)</u>	<u>(80,312)</u>
Profit before tax		664,151	863,213
Tax on profit	11	<u>(118,018)</u>	<u>(158,889)</u>
Profit for the year		<u><u>546,133</u></u>	<u><u>704,324</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 29 form an integral part of these financial statements.

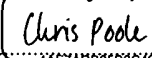
ADM Wild UK Limited

(REGISTRATION NUMBER: 02672448)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
Fixed assets			
Tangible assets	12	115,711	57,094
Right of use assets	13	829,083	912,215
		<u>944,794</u>	<u>969,309</u>
Current assets			
Debtors	14	5,220,865	3,742,039
Cash at bank and in hand	15	711,276	203,428
Deferred tax asset	11	28,754	32,321
		<u>5,960,895</u>	<u>3,977,788</u>
Creditors: Amounts falling due within one year	16	<u>(3,190,823)</u>	<u>(1,655,892)</u>
Net current assets		<u>2,770,072</u>	<u>2,321,896</u>
Total assets less current liabilities		<u>3,714,866</u>	<u>3,291,205</u>
Creditors: Amounts falling due after more than one year	17	<u>(1,008,098)</u>	<u>(1,134,178)</u>
Net assets		<u>2,706,768</u>	<u>2,157,027</u>
Capital and reserves			
Called up share capital	19	160,002	160,002
Share-based payments reserve	21	84,070	76,637
Profit and loss account		<u>2,462,696</u>	<u>1,920,388</u>
Shareholders' funds		<u>2,706,768</u>	<u>2,157,027</u>

The financial statements on pages 10 to 31 were approved by the Board on 25 July 2022 and signed on its behalf by:

DocuSigned by:

 4AE7ADB8D5B0C493...
 C M Poole
 Director

Dated: 25 July 2022

The notes on pages 12 to 29 form an integral part of these financial statements.

ADM Wild UK Limited**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share-based payments reserve	Retained earnings	Total
	£	£	£	£
At 1 January 2020	160,002	63,786	1,217,299	1,441,087
Profit for the year	-	-	704,324	704,324
Total comprehensive income	-	-	704,324	704,324
Charge for share-based payments for the year	-	47,896	-	47,896
Impact of ADM recharge	-	-	(34,852)	(34,852)
Transfer to profit and loss account	-	(33,617)	33,617	-
Current tax on share-based payments	-	(2,478)	-	(2,478)
Deferred tax on share-based payments	-	1,050	-	1,050
At 31 December 2020	160,002	76,637	1,920,388	2,157,027
	Share capital	Share-based payments reserve	Retained earnings	Total
	£	£	£	£
At 1 January 2021	160,002	76,637	1,920,388	2,157,027
Profit for the year	-	-	546,133	546,133
Total comprehensive income	-	-	546,133	546,133
Charge for share-based payments for the year	-	40,236	-	40,236
Impact of ADM recharge	-	-	(44,816)	(44,816)
Transfer to profit and loss account	-	(40,991)	40,991	-
Current tax on share-based payments	-	870	-	870
Deferred tax on share-based payments	-	7,318	-	7,318
At 31 December 2021	160,002	84,070	2,462,696	2,706,768

The notes on pages 12 to 29 form an integral part of these financial statements.

ADM Wild UK Limited

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

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom. The principal activities and nature of the business are included within the Strategic Report on page 2.

The address of its registered office is:

Think Park Trafford Park, Mosley Road, Stretford
Manchester
M17 1FQ
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 - 'Reduced Disclosure Framework' ('FRS 101') and with the Companies Act 2006. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 3.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions from the requirements of IFRS in preparation of these financial statements, in accordance with FRS 101:

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-Based Payment, because the share-based payment arrangement concerns the instruments of another group entity; on the grounds that equivalent disclosures are included in the consolidated financial statements of its ultimate parent undertaking, Archer-Daniels-Midland Company.

(b) the requirements of IFRS 7 Financial Instruments: Disclosures on the grounds that equivalent disclosures are included in the consolidated financial statements of its ultimate parent undertaking, Archer-Daniels-Midland Company.

(c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement; on the grounds that equivalent disclosures are included in the consolidated financial statements of its ultimate parent undertaking, Archer-Daniels-Midland Company.

(d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(c) of IAS 16 Property, Plant and Equipment.

(e) the requirements of paragraphs 10(d), 16, 38A and 38B-D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;

(f) the requirements of IAS 7 Statement of Cash Flows;

(g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

(h) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions entered into is wholly owned by such a member;

(i) the requirements of paragraphs 130(f) (ii), 130 (f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets, on the grounds that equivalent disclosures are included in the consolidated financial statements of its ultimate parent undertaking, Archer-Daniels-Midland Company; and

(j) 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 Revenue from Contracts with Customers;

Going concern

The financial statements have been prepared on a going concern basis.

The Directors have prepared forecasts up to the year ending 31 December 2022 which take into account reasonably possible changes in trading performance. The Directors have obtained a confirmation from ADM Wild Europe GmbH & Co KG that there is no intention to cease the distribution agreement in place for at least 12 months from the date of signing of the accounts (to at least 31 July 2023). The Directors do not expect the Company to require any additional support and are satisfied that the Company is in a position to meet its liabilities as they fall due over the period to 31 July 2023 and on this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Revenue recognition

Turnover represents amounts receivable, net of trade discounts, rebates, Value Added Tax, and other taxes or duty, for goods sold and services provided to customers.

For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration; allocates the transaction price to the separate performance obligations; and recognises turnover when or as each performance obligation is satisfied.

Customer contracts contain a single performance obligation being the provision of food ingredients. Revenue from the satisfaction of this performance obligation is recognised upon delivery, as this is the point at which control of the goods has transferred to the customer. In general, the payment terms agreed in the contract with the customer amount to 60 days.

At contract inception, the transaction price is determined, being the amount that the company expects to receive for transferring the promised goods. The transaction price is allocated to the performance obligations in the contract based on their relative stand-alone selling prices. The company uses the contractually stated price as the stand-alone selling price for each performance obligation. The transaction price for some contracts includes variable consideration in the form of a rebate. The variable consideration is estimated using the expected value method and the total transaction price adjusted for the variable consideration. There is no constraint on variable consideration. Variable consideration included in the transaction price is updated at the end of each reporting period to reflect changes during the period and circumstances at the period end.

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and the date of payment is one year or less. The Company does not receive any long-term advances from its customers.

Foreign currency transactions and balances

The presentational currency of the Company is British Pound Sterling, which is also the Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Tangible assets

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided by the Company to write off the cost less the estimated residual value by equal instalment over their estimated useful economic lives as follows

Plant and machinery 5 years

Fixtures and fittings 4 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable, and if appropriate, an impairment provision will be made.

The Company includes directly attributable costs incurred in bringing an asset into working condition for its intended use in its measurement of carrying values of the asset.

Borrowing costs that are directly attributable to the construction of tangible fixed assets to bring them up to a condition for their intended use are capitalised as part of the cost of those assets.

All other costs are expensed in the period in which they are incurred.

Leases

Definition

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases for low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Initial recognition and measurement

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). Right-of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The depreciation starts at the commencement date of the lease.

The company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired.

The right-of-use assets are presented separately in the financial statements.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented under "Amounts falling due within one year" and "Amounts falling due after more than one year" in the statement of financial position and is disclosed separately in the notes 16 and 17.

Subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the incremental borrowing rate) and by reducing the carrying amount to reflect the lease payments made.

The company uses the incremental borrowing rate (IBR) as a discount rate. IBR is determined by the company's treasury department as the sum of: appropriate regional political risk premium + appropriate regional risk free rate difference + indicative lease spread + benchmark rate + credit premium.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statement.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Employee benefits

The Company participates in a defined contribution pension scheme known as the ADM UK Pension Plan, which requires contributions to be made to separately administered funds.

Defined contribution

The amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Prior to joining the ADM UK Pension Plan on 1 April 2015, the Company made contributions, in addition to that of the employee, towards a unitised with-profits and investment linked retirement benefit policy. The assets of the scheme were held separately from those of the Company in an independently administered fund.

Deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the period for which the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if legal enforcement right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise deferred tax is recognised in the income statement.

ADM Wild UK Limited

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

2 Accounting policies (continued)

Share based payments

The fair value of the services received in respect of equity-settled share-based payments is determined by reference to the fair value of the shares or share options on the date of grant to the employee. The cost of the share-based payment, together with a corresponding increase in equity, is recognised in the income statement over the period the service conditions of the grant are met with the amount changing according to the number of awards expected to vest.

The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not recognised for the award is recognised immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the income statement.

The Company has a recharge agreement with a certain Group company in respect of the share-based payment schemes whereby, the Company is charged for the benefit of share-based compensation. The impact of this recharge is reflected in the equity movements (Impact of ADM recharge).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade Debtors

Trade and other receivables are amounts due from customers for merchandise sold in the ordinary course of business. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade Creditors

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Reserves

Profit and loss reserve. This reserve contains cumulative profit and loss net of any distributions.

Other operating income

Other income consists of commissions received from associated companies and research and development expenditure credits. Commissions and credits are recognised in the income statement on an accrual basis.

ADM Wild UK Limited

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

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The items in the financial statements where these judgements and estimates have been made include:

Taxation

Uncertainties exist with respect to the amounts of current tax expected to be paid or recovered due to the interpretation of tax legislation, changes in tax regulations, and the amount and timing of future taxable income, resulting in the establishment of provisions by the Company depending upon reasonable estimate of the outcome to treatment of certain transactions by the responsible tax authority. The amount of current tax provisions is based on factors, such as experience of previous tax assessments and differing interpretations of tax laws by the Company and the tax authority in the country of operation.

The Directors exercise judgement in determining the amount of deferred tax assets that can be recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Share based payments

The cost of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Disclosure requirements under IFRS 2 Paragraph 45 c) and d) have not been met on the grounds of materiality.

Leasing

Application of IFRS 16 requires significant judgements and certain key estimations which, among others, include identifying whether a contract includes a lease, determining whether it is reasonably certain that an extension or termination option will be exercised, determination of the appropriate rate to discount the lease payments, assessment of whether a right-of use asset is impaired.

Dilapidations

No provision for dilapidations has been included within the financial statements as the Directors consider that any dilapidations liability in the future would not be material to the company.

ADM Wild UK Limited

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

4 Turnover

The Company generates turnover from a single class of business and from the following markets:

	2021	2020
	£	£
UK	24,186,398	12,340,359
Europe	295,807	2,630,524
	<u>24,482,205</u>	<u>14,970,883</u>

5 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Inventory recognised as an expense	19,794,895	11,121,518
Depreciation expense	13,641	12,199
Depreciation on right of use assets - Machinery	83,132	101,662
Impairment loss	-	49,355
Foreign exchange (gains)/ losses	371,924	(8,829)
Expense on short term leases (over one month)	<u>150,336</u>	<u>196,035</u>

6 Interest receivable and similar income

	2021	2020
	£	£
Other finance income	16	657
Income from Group undertakings	<u>5,108</u>	<u>12,812</u>
	<u>5,124</u>	<u>13,469</u>

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest paid to group undertakings	19,125	31,745
Other finance costs	392	-
Interest expense on leases	<u>56,967</u>	<u>62,036</u>
	<u>76,484</u>	<u>93,781</u>

ADM Wild UK Limited

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

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	1,108,748	1,020,585
Social security costs	122,771	111,558
Pension costs, defined contribution scheme	167,382	160,024
Share-based payment expenses	40,236	47,895
	<u>1,439,137</u>	<u>1,340,062</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Administration and support	2	2
Sales, marketing and distribution	13	13
	<u>15</u>	<u>15</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	267,726	245,528
Contributions paid to money purchase schemes	27,796	24,338
	<u>295,522</u>	<u>269,866</u>

The emoluments and pension contributions disclosed relate to two (2020: two) directors. The other directors did not receive any remuneration from this company in respect of services rendered.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Exercised share options	2	2
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

ADM Wild UK Limited

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

9 Directors' remuneration (continued)

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	151,466	137,931
Company contributions to money purchase pension schemes	14,707	13,166
	<u>166,173</u>	<u>151,097</u>

During the year the highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>21,300</u>	<u>21,300</u>

11 Income tax

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	97,434	161,769
UK corporation tax adjustment to prior periods	<u>9,699</u>	<u>3,554</u>
	<u>107,133</u>	<u>165,323</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	21,151	(6,623)
Arising from changes in tax rates and laws	(10,221)	(2,871)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(45)</u>	<u>3,060</u>
Total deferred taxation	<u>10,885</u>	<u>(6,434)</u>
Tax expense in the income statement	<u>118,018</u>	<u>158,889</u>

ADM Wild UK Limited

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

11 Income tax (continued)

Tax presented in Statement of Changes in Equity

	2021 £	2020 £
Current tax on share-based payments	(870)	2,478
Deferred tax on share-based payments	(7,318)	(1,050)
	<u>(8,188)</u>	<u>1,428</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>664,151</u>	<u>863,213</u>
Corporation tax at standard rate	126,189	164,010
Increase in current tax from adjustment for prior periods	9,699	3,554
(Decrease)/increase from effect of capital allowances depreciation	(3,959)	104
Decrease from effect of revenues exempt from taxation	(9,423)	(6,896)
Increase/(decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	298	(2,072)
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(45)	3,060
Deferred tax credit relating to changes in tax rates or laws	(4,790)	(2,871)
Other tax effects for reconciliation between accounting profit and tax expense	<u>49</u>	<u>-</u>
Total tax charge	<u>118,018</u>	<u>158,889</u>

As enacted on 24 May 2021, the corporation tax rate will increase to 25% effective 1 April 2023. The tax rate change to 25% was substantively enacted on 24 May 2021.

As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 25% rate. The impact of the post balance sheet date change in tax rate is not expected to be material.

ADM Wild UK Limited

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

11 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

Deferred tax movement during the year:

	At 1 January 2021 £	Recognised in income £	Recognised in other comprehensive income £	At 31 December 2021 £
Capital allowances	1,442	(16,928)	-	(15,486)
IFRS 16 adoption adjustment	7,046	674	-	7,720
Share-based payment	18,703	5,249	7,318	31,270
Other items	5,130	120	-	5,250
Net tax assets/(liabilities)	<u>32,321</u>	<u>(10,885)</u>	<u>7,318</u>	<u>28,754</u>

12 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2021	180,380	48,732	229,112
Additions	-	72,258	72,258
At 31 December 2021	<u>180,380</u>	<u>120,990</u>	<u>301,370</u>
Depreciation			
At 1 January 2021	162,523	9,495	172,018
Charge for the year	5,764	7,877	13,641
At 31 December 2021	<u>168,287</u>	<u>17,372</u>	<u>185,659</u>
Carrying amount			
At 31 December 2021	<u>12,093</u>	<u>103,618</u>	<u>115,711</u>
At 31 December 2020	<u>17,857</u>	<u>39,237</u>	<u>57,094</u>

ADM Wild UK Limited

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

13 Right of use assets

The Company has entered into commercial leases on land and buildings (years of entry: 2013 and 2018) and also on plant and machinery (years of entry: 2017-2019). These leases have an average duration of 9 years (buildings) and 3 years (other).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and buildings £	Plant and machinery £	Total £
As at 31 December 2020	894,607	17,608	912,215
Depreciation charge	(73,029)	(10,103)	(83,132)
As at 31 December 2021	<u>821,578</u>	<u>7,505</u>	<u>829,083</u>

14 Trade and other debtors

	31 December 2021 £	31 December 2020 £
Trade debtors	3,734,412	2,482,210
Debtors from related parties	1,414,623	1,185,313
Prepayments	65,774	57,415
Other debtors	<u>6,056</u>	<u>17,101</u>
	<u>5,220,865</u>	<u>3,742,039</u>

15 Cash at bank and in hand

	31 December 2021 £	31 December 2020 £
Cash at bank	<u>711,276</u>	<u>203,428</u>

ADM Wild UK Limited

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

16 Trade and other creditors

	31 December 2021	31 December 2020
	£	£
Trade creditors	107,422	106,405
Accrued expenses	1,351,099	339,282
Amounts due to related parties	1,424,170	866,037
Other creditors	85,488	21,731
Income tax liability	96,564	164,247
Current portion of long term lease liabilities	126,080	158,190
	<u>3,190,823</u>	<u>1,655,892</u>

ADM Wild UK Limited

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

17 Leases

The Company has entered into commercial leases on land and buildings (years of entry: 2013 and 2018) and also on plant and machinery (years of entry: 2017-2019). These leases have an average duration of 9 years (buildings) and 3 years (other).

Leases included in creditors

	31 December 2021	31 December 2020
	£	£
Current portion of long term lease liabilities	126,080	158,190
Long term lease liabilities	1,008,098	1,134,178
	<u>1,134,178</u>	<u>1,292,368</u>

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2021	31 December 2020
	£	£
Less than one year	210,948	215,157
2 years	182,963	210,948
3 years	115,536	182,963
4 years	115,536	115,536
More than 5 years	808,752	924,288
Total lease liabilities (undiscounted)	<u>1,433,735</u>	<u>1,648,892</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	31 December 2021	31 December 2020
	£	£
Payment	215,157	198,224
Total cash outflow	<u>215,157</u>	<u>198,224</u>

18 Pension and other schemes

Defined contribution

The assets of the defined contribution pension scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £167,382 (2020: £160,024). Contributions totalling £Nil (2020: £Nil) were payable to the fund at the year end and are included in creditors.

ADM Wild UK Limited

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

19 Share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
Allotted, called up and fully paid of £1 each	160,002	160,002	160,002	160,002

20 Reserves

Profit and loss account

This reserve records the accumulated distributable profits less dividends paid since the inception of the company. Movements in the profit and loss reserve are detailed in the Statement of Changes in Equity.

ADM Wild UK Limited

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

21 Share-based payments

Incentive compensation plan

Certain officers and key employees of the Company are entitled to participate in the Archer Daniels Midland Company 2002 Incentive Compensation Plan. Awards of options and restricted shares are made under this scheme and are settled with the equity of the ultimate parent Archer-Daniels-Midland Company. Options are granted at market value on the date of grant, and vest over five years in equal annual tranches and expire ten years after the date of grant. Restricted shares are granted at no cost to the employee and vest after a three year restriction period.

The vesting period for the options is 5 years with vesting occurring in equal tranches over years 1 to 5. The vesting period for the restricted shares is 3 years. Accelerated vesting terms apply to employees over the age of 53 at the date of grant.

The expense recognisable under IFRS 2 for equity share-based payments in respect of employee services received during the year to 31 December 2021 is £40,236 (2020: £47,896). At the balance sheet date, the IFRS 2 value of outstanding restricted shares amounted to £89,891 (2020: £90,646). At 31 December 2021, the share-based payment reserve net of tax amounted to £84,070 (2020: £76,637).

22 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £39,759 (2020: £19,967).

23 Related party transactions

The Company has taken advantage of the exemptions conferred by paragraph 8(k): Related Party Disclosures of FRS 101 from the requirement to disclose transactions with fellow Group undertakings where 100% of the voting rights are controlled within the Group. There were no other related party transactions during the year.

24 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is ADM Wild Europe GmbH & Co KG, a company incorporated in Germany, and in the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Archer-Daniels-Midland Company, which is incorporated in Delaware, United States of America. The consolidated financial statements of Archer-Daniels-Midland Company are both the smallest and largest consolidated financial statements drawn up for the groups of which the Company is a member. Copies of the consolidated financial statements are available upon application to the Directors at PO Box 1470, Decatur, Illinois 62525, United States of America.