

# **Penasul UK Limited**

Annual report and financial statements

Registered number 04944443

31 December 2022

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## **Director and advisors**

### **Director**

Wesley Mendonça Batista Filho

### **Registered office**

2nd Floor, Building 1, Imperial Place,  
Maxwell Road, Borehamwood  
Hertfordshire  
WD6 1JN

### **Auditor**

KPMG LLP  
Dragonfly House  
2 Gilders Way  
Norwich  
NR3 1UB

### **Bankers**

Bank of America  
5 Canada Square  
London  
E14 5AQ

Barclays Bank PLC  
PO Box 299  
Birmingham  
B1 3PF

## Strategic Report

### Business Overview

The main activity of Penasul UK (hereafter “Company”) continues to be the sale of poultry products in the UK market. The Company’s ultimate parent company JBS S.A. is focused on sustainable global meat production that complies with changing regulations and legislation and satisfies consumer requirements in each market segment. JBS Group has committed to Carbon NetZero by 2040, a target for its global production platforms and business units and the JBS group’s sustainability targets are core to the total business strategy.

The Company sources almost 100% of its products from its parent company Seara Alimentos Ltda. in Brazil, which provides our customers assurance to supply our products without disruption.

As part of the ultimate parent group’s institutional relations area, JBS S.A. “JBS” (ultimate parent company) established a department dedicated to this important topic. The newly founded team has been working hard along with stakeholders in order to demonstrate JBS’ commitment to social and environmental aspects of our business as well as to the welfare of the community.

### Business Model

The Company is engaged in the sale and distribution of frozen poultry meat in the UK market.

Considering the Company sources almost 100% of its products from its mother company Seara Alimentos Ltda., this gives us a competitive advantage as we are able to assure our customers that the products will be produced according to required specification & quality standards and delivered in due time.

### Strategy

JBS ensures sustainable development of all of its business units, including Penasul UK on the basis of four pillars: people, financial structure, the ongoing quest for cost reduction and risk management. The aim of this strategy is to maintain growth and leadership in the food industry, develop the international market and ensure value creation for shareholders.

The ultimate parent company’s Board of Executive Officers is responsible for the application of plans and strategic guidelines defined by the ultimate parent company’s Board of Directors, determining allocation of resources and assessing the performance of segments in which the company operates. The current ultimate parent company’s Board of Executive Officers comprises five members, with two-year terms and the right to re-election.

The Fiscal Council, located at the Group headquarters in Brazil, operates on a permanent basis, with powers and duties conferred by law. Among its duties are oversight of Board member acts, providing opinion on proposals submitted to the General Meeting and analysis of accounting statements. The council is currently staffed by eight effective members and their respective understudies, all with a one-year term of office and re-election rights.

For further information on duties of the ultimate parent company’s Board of Directors, Executive Officers and Fiscal Council, including member résumés, see the Reference Form at [www.jbs.com.br/ri](http://www.jbs.com.br/ri).

Code of Ethical Conduct: this Code reinforces the Mission, Belief and Values of the company and defines the behaviour expected from employees, regardless their position and role, and from suppliers in respect of the culture and organizational policies. To read the Manual of Ethical Conduct, access [www.jbs.com.br/ri](http://www.jbs.com.br/ri).

Policy on Disclosure and Relevant Information: this policy establishes the regulations and guidelines to be observed by professionals in respect of the use of classified information such as material facts not yet disclosed to the public.

Privacy Policy: this Policy ensures the confidentiality of data for users of interactive services on the group website and reinforces JBS, including Penasul UK, commitment to information security.

## Strategic Report *(continued)*

### Performance & Financial Review

The director considers the results for the year and the position at the year-end to be satisfactory and expects similar trading conditions and performance in the coming financial year. The director considers there are no significant likely future developments to be reported at this stage. Turnover at £135.6m has increased from 2021 of £96m mainly due to higher local selling prices. The gross profit for the year was £9m compared with a gross profit of £1.1m in 2021 mainly due to higher local selling prices. No dividend is recommended (2021: £nil).

### Financial risk management

JBS, including Penasul UK, adopts a policy of economic-financial risk management established and monitored by the Risk Management department covering all business units including Penasul. Procedures defined by this department enable follow up and mitigation of risk factors to which the group is exposed, monitoring the degree of risk and defining strategies for decision-making.

#### *Price risk*

The JBS, including Penasul UK, is exposed to commodity price risk as a result of its operations. However, given the size of the ultimate parent company's operations, the Company does not hedge its exposure to commodity price risk as the cost would exceed any potential benefits. The director will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

#### *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

#### *Liquidity risk*

The Company retains sufficient cash to ensure it has adequate available funds for its operation. The Company also has access to funding from its ultimate parent undertaking if required.

#### *Foreign exchange currency risk*

The Company does not have significant exposure to foreign currency risk in the normal course of business however the director will keep this under review and take steps to mitigate foreign currency risk if it arises.

#### *Fraud and corruption risk*

The ultimate parent company has guidelines and documents addressing risks of fraud and corruption, all employees of all subsidiaries (Penasul included) undertake yearly on a Compliance Training Cycle. Refer to the Company's compliance program on: <https://jbs.com.br/en/compliance-en>

#### *Socio-environmental risk*

The objective of socio-environmental risk management is to identify possible events in JBS group's production facilities (internal and external) which affect the strategies and results of business units, with potential impacts on capital, liquidity and the reputation of the group. In respect of food safety and application of good operational practices, JBS group has a specific department which monitors all industrial processes and is responsible for product quality assurance. This commitment is extended to the production chain through a number of initiatives. Suppliers receive guidance from JBS's Animal Well-Being team for handling of animals and their transportation to the abattoir in accordance with group regulations. In addition, a key public commitment of the group is its engagement in tackling deforestation, formalized through the adoption of the Livestock Pact of the São Paulo-Amazonia Sustainable Connections initiative, (Ethos institute) and effective participation in the Sustainable Livestock Working Group, the Global Roundtable for Sustainable Beef, among others. The JBS group applies socio environmental criteria to select suppliers and has monitored its 30,000 livestock suppliers in Legal Amazon, since 2010. Such control is achieved through use of information from sector agencies, satellite images and geo-referenced cartographic information. There are no specific socio-environmental actions taken by Penasul UK as it does not run production facilities and its main activity is the sales of imported goods in the UK market, sourcing almost 100% of its products from its parent company Seara Alimentos Ltda in Brazil, however such actions are being taken by other Penasul UK related entities across the UK where they have production facilities.

## Strategic Report (continued)

### Financial risk management (continued)

#### Other risks

Other risks inherent in the food industry make up the set of socio environmental risks monitored by JBS group. In such cases, the JBS group constantly and systematically monitors external factors affecting its management, seeking to pre-empt or quickly adapt to variations, such as changes in demographic trends, preferences, consumer food tastes and habits (mitigated by ongoing market research and pre-empting of consumer trends) and in government regulation and commercial standards among the various outlets (monitored by intensive participation in sector forums and promotion of public policies), giving confidence and reliability to the UK company.

Nevertheless, JBS group's People Management Committee proposes performance assessment criteria, remuneration policy and the practice of meritocracy to across all business units (Penasul UK included), both at senior management level and other hierarchical levels within the JBS's group and all of its subsidiaries. The committee also examines candidates for election to the Board, taking aspects such as professional experience, knowledge and economic, social and cultural representativeness into consideration.

#### New UK Customs legislation

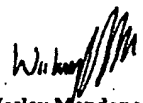
In view of the new UK import quota legislation, the Company processed the strike-off of all of its subsidiaries in order to simplify its organizational structure, consolidating the whole business entirely in Penasul UK Limited without any prejudice to its existing trade. These subsidiary companies ceased trading in the second quarter of 2021 and were struck-off and dissolved from the Registrar and impaired at Penasul entity in February 2022. Through 2021 the accounts were presented as consolidated, however commencing from 2022 the accounts were presented as stand-alone as a result of all subsidiaries' strike-off.

#### Conflicts in Eastern Europe between Russia and Ukraine

With reference to the conflict in Eastern Europe between Russia and Ukraine, the Company continues to monitor the evolution and potential impacts on its operations however neither the Company or its main supplier Seara Alimentos Ltda. have a manufacturing operation in these countries. Until the date of signing these Financial Statement, no representative impacts were measured.

#### General recessionary matters

As a result of the conflict between Russia and Ukraine and as Covid-19 measures ease, the global economy is experiencing inflationary pressure in almost all sectors, the Company is constantly monitoring the market situation in terms of increasing costs, interest rates, inflation and general recessionary matters, but until the date of signing these Financial Statement, no representative impacts were measured. The Company is in a competitive and strong position to weather these turbulences.

  
Wesley Mendonça Batista Filho  
Director

Date: 11 July 2023

## Director's report

The director presents the annual report and the audited financial statements of the Company for the year ended 31 December 2022.

### Principal activities and review of business and future developments

The principal activity of the Company continues to be the sale of poultry products in the UK market.

The director considers the results for the year and the position at the year-end to be satisfactory and expects similar trading conditions and performance in the coming financial year. The director considers there are no significant likely future developments to be reported at this stage. Turnover at £135.6m has increased from 2021 of £96m mainly due to higher local selling prices. The gross profit for the year was £9m compared with a gross profit of £1.1m in 2021 mainly due to higher local selling prices.

### Director

The director who held office during the year and the date of approval of these financial statements is listed on page 1.

### Going Concern

The financial statements have been prepared on a going concern basis which the Director considers to be appropriate for the following reasons.

The company meets its day to day working capital requirements from the intercompany loan and trading balances with the group headed by JBS SA, the ultimate parent company.

The director has prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the 12-month period from when the financial statements are signed, the going concern assessment period. This assessment is dependent on its ultimate parent company, JBS SA, not seeking immediate, full repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £25.4 million, and that the ultimate parent if necessary, also provides additional funding and cash as required for Penasul UK Limited to meet its liabilities as they fall due.

The director has assessed the going concern status of the business, having regard to the financial position at year end and at the date of signing these financial statements, and taking account of financial and working capital forecasts which extend through for at least 12 months from the date of signing these financial statements.

Whilst recognizing the uncertainty generated across the wider economy circumstances, the director has considered the potential implications for the Company and is of the opinion that it is appropriate to prepare the financial statements on the going concern basis as the business expects to continue to trade profitably in 2023 and beyond.

This assumes the Company will continue in operational existence for at least twelve months from the date of approval of the financial statements while having adequate financial resources to meet its obligations in full when they fall due. On April 13, 2022, the Company signed a bank facility, namely Recourse Confidential Invoice Discounting Facility, which has fortified even more its financial situation and whilst having access to ongoing company support from the greater JBS group by the way of extending payment terms to its dues, it does not expect to have to resort to the said support to continue trading in the current environment.

As a result of the conflict between Russia and Ukraine, the global economy is experiencing inflationary pressure in almost all sectors, the Company is constantly monitoring the market situation in terms of increasing costs, interest rates, inflation and general recessionary matters, but until the date of Financial Statement preparation, no representative impacts were measured. The Company is in a competitive and strong position to weather these turbulences.

## **Director's report** *(continued)*

### **Going Concern** *(continued)*

JBS SA has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of these amounts currently due to the group during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

### **Events after the end of the reporting period**

On 11 January 2023 the Court of Appeal of Ghent delivered a judgement on regards to the Belgian Customs litigation case, overruling the previous judgements in favour of Penasul. As a result Penasul UK was sentenced to pay EUR 889k (equivalent to £789k in December 2022). On 30 March 2023 Penasul submitted an appeal in cassation against the judgement before the Supreme Court. The judgement of the Supreme Court is to be expected at the earliest in September 2023.

No payment has been made until the date of the signature of these financial statements nor it includes the impacts of the said litigation, as the administration believes there is still sufficient uncertainty regarding the final outcome of the appeal by Penasul.

### **Disclosure of information to auditor**

So far as the director in office at the date of approval of these financial statements is aware:

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

### **SECR**

Following a review carried out by the Management, the Company energy usage has not altered significantly and is still classified as a Low Energy User, being less than 40,000 kWh per annum, therefore the Company has taken advantage of the exemption from reporting its energy consumption in line with the Streamlined Energy and Carbon Reporting legislation.

Energy reduction actions taken in 2022 include:

- Increased use of technology to facilitate client, supplier and service provider meeting remotely rather than driving;
- Maintaining all office lighting and electrical equipment switched off when not in use.

### **Charitable and political donations**

The donations made by the Company during the year ended 31 December 2022 for charitable purposes were £nil (2021: £nil). No political donations were made (2021: £nil) nor was any political expenditure incurred (2021: £nil).



**Director's report** *(continued)*

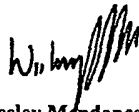
**Director's indemnity provisions**

The director benefit from qualifying third party indemnity provisions in place at the Group during the financial year and at the date of this report.

**Auditor**

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

By order of the board



**Wesley Mendonça Batista Filho**  
Director

Date: **11 July 2023**  
2nd Floor, Building 1, Imperial Place,  
Maxwell Road, Borehamwood  
Hertfordshire  
WD6 1JN England

## **Statement of director's responsibilities in respect of the annual report and the financial statements**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The director is 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. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Penasul UK Limited**

### **Opinion**

We have audited the financial statements of Penasul UK Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

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

Our conclusions based on this work:

- we consider that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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

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

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

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

- Enquiring of the director as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

## **Independent auditor's report to the members of Penasul UK Limited (continued)**

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

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

- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue recorded in the wrong period and management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics.
- Obtaining a sample of invoices and related delivery documentation around the year end to assess whether revenue has been recorded in the appropriate period.

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

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

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, Consumer Rights Act 2015 and Sale of Goods Act, foreign corrupt practices, GDPR compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent auditor's report to the members of Penasul UK Limited (continued)**

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

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

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

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

### **Strategic report and director's report**

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

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

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Director's responsibilities**

As explained more fully in his statement set out on page 8, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of Penasul UK Limited (continued)**

### **Auditor's responsibilities**

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

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

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

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



**Jonathan Seager (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
KPMG LLP  
Dragonfly House  
2 Gilders Way  
Norwich  
NR3 1UB

Date: 11 July 2023

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2022*

	Notes	2022 £'000	2021 £'000
<b>Turnover</b>	3	135,569	96,008
Cost of sales		<u>(126,602)</u>	<u>(94,917)</u>
<b>Gross profit</b>		8,967	1,091
Selling expenses		(608)	(461)
Administrative expenses		(1,189)	(1,452)
Other operating income	4	<u>4,505</u>	<u>2,984</u>
<b>Operating profit</b>	5	11,675	2,162
Foreign exchange gain/(loss)		326	(272)
Interest payable and similar expenses	6	(299)	(117)
Other income	4	<u>2,542</u>	-
<b>Profit on ordinary activities before taxation</b>		14,244	1,773
Tax on profit	9	<u>(2,212)</u>	<u>(331)</u>
<b>Profit for the financial year</b>		12,032	1,442
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>12,032</u>	<u>1,442</u>

The company has no other recognised items of income and expenses other than the results for the year as set out above.

All amounts above relate to continuing operations of the Company.

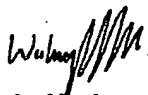
The notes on pages 17 to 26 form part of these financial statements.

**Balance Sheet**  
*at 31 December 2022*

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	10	-	828
Tangible fixed assets	11	3	-
Intangibles	12	-	1,173
		<u>3</u>	<u>2,001</u>
<b>Current assets</b>			
Stocks	13	16,204	13,025
Debtors	14	34,448	17,111
Cash at bank		<u>4,905</u>	<u>3,694</u>
		55,557	33,830
Creditors: amounts falling due within one year	15	<u>(38,567)</u>	<u>(30,870)</u>
<b>Net current assets</b>		<u>16,990</u>	<u>2,960</u>
<b>Total assets less current liabilities and Net assets</b>		<u>16,993</u>	<u>4,961</u>
<b>Capital and reserves</b>			
Called up share capital	16, 17	800	800
Share premium	16, 17	828	828
Profit and loss account		<u>15,365</u>	<u>3,333</u>
<b>Shareholder's funds</b>		<u>16,993</u>	<u>4,961</u>

The notes on pages 17 to 26 form part of these financial statements.

These financial statements were approved by the director and authorised for issue on 11 July 2023 and are signed on behalf of the board by:



**Wesley Mendonça Batista Filho**  
Director

Company registered number: 4944443



**Statement of Changes in Equity**  
*at 31 December 2022*

	Called up Share Capital £'000	Share Premium £'000	Profit and loss account £'000	Total £'000
<b>Balance at 01 January 2021</b>	800	828	1,891	3,519
<b>Total comprehensive income for the period</b>				
Profit of the year	-	-	1,442	1,442
<b>Balance at 31 December 2021</b>	<u>800</u>	<u>828</u>	<u>3,333</u>	<u>4,961</u>
<b>Total comprehensive income for the period</b>				
Profit of the year	-	-	12,032	12,032
<b>Balance at 31 December 2022</b>	<u>800</u>	<u>828</u>	<u>15,365</u>	<u>16,993</u>

The notes on pages 17 to 26 form part of these financial statements.

**Cash Flow Statement**  
*for the year ended 31 December 2022*

	2022	2021
Notes	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit for the financial year	12,032	1,442
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	1,174	1,369
Taxation charge	2,212	331
Gain on Impairment of investment in subsidiaries	<u>(2,542)</u>	<u>-</u>
	12,876	3,142
(Increase) in stocks	(3,179)	(3,254)
(Increase) in trade and other debtors	(16,508)	(14,652)
Increase in trade and other creditors	<u>1,629</u>	<u>20,420</u>
	(5,182)	5,656
Interest paid	(168)	-
Corporation taxes (paid)	<u>(1,534)</u>	<u>(552)</u>
	(6,884)	5,104
<b>Net cash (used in)/from operating activities</b>	<u>(6,884)</u>	<u>5,104</u>
Purchase of property, plant or equipment	(4)	-
Acquisition of other intangible assets	<u>-</u>	<u>(2,542)</u>
<b>Net cash used in investing activities</b>	<u>(4)</u>	<u>(2,542)</u>
<b>Cash flows from financing activities</b>		
Proceeds from new loan	7,931	-
Interest paid	<u>168</u>	<u>nil</u>
<b>Net cash from financing activities</b>	7,931	-
<b>Net increase in cash and cash equivalents</b>	<u>1,211</u>	<u>2,562</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>3,694</u>	<u>1,132</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>4,905</u></u>	<u><u>3,694</u></u>

The notes on pages 17 to 26 form part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 General information

Penasul UK Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 04944443 and the address of the registered office is given on the company information page.

### 2 Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and the companies act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

#### 2.2 Going concern

The financial statements have been prepared on a going concern basis which the Director considers to be appropriate for the following reasons.

The company meets its day to day working capital requirements from the intercompany loan and trading balances with the group headed by JBS SA, the ultimate parent company.

The director has prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the 12-month period from when the financial statements are signed, the going concern assessment period. This assessment is dependent on its ultimate parent company, JBS SA, not seeking immediate, full repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £25.4 million, and that the ultimate parent if necessary, also provides additional funding and cash as required for Penasul UK Limited to meet its liabilities as they fall due.

The director has assessed the going concern status of the business, having regard to the financial position at year end and at the date of signing these financial statements, and taking account of financial and working capital forecasts which extend through for at least 12 months from the date of signing these financial statements.

Whilst recognizing the uncertainty generated across the wider economy circumstances, the director has considered the potential implications for the Company and is of the opinion that it is appropriate to prepare the financial statements on the going concern basis as the business expects to continue to trade profitably in 2023 and beyond.

This assumes the Company will continue in operational existence for at least twelve months from the date of approval of the financial statements while having adequate financial resources to meet its obligations in full when they fall due. On April 13, 2022, the Company signed a bank facility, namely Recourse Confidential Invoice Discounting Facility, which has fortified even more its financial situation and whilst having access to ongoing company support from the greater JBS group by the way of extending payment terms to its dues, it does not expect to have to resort to the said support to continue trading in the current environment.

As a result of the conflict between Russia and Ukraine, the global economy is experiencing inflationary pressure in almost all sectors, the Company is constantly monitoring the market situation in terms of increasing costs, interest rates, inflation and general recessionary matters, but until the date of Financial Statement preparation, no representative impacts were measured. The Company is in a competitive and strong position to weather these turbulences.

JBS SA has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of these amounts currently due to the group during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.3 Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of JBS S.A. which can be obtained from [www.jbs.com.br/ir](http://www.jbs.com.br/ir). As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102, in respect to the parent company financial statement:

- (a) Key management information has not been disclosed.
- (b) Related parties transactions have not been disclosed following exemption contained paragraph 33.1A of FRS 102.

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management of the Company certify that, throughout the Company's financial year ended 31 December 2022 the Company had appropriate accounting arrangements and there are no material adjustments to the carrying amounts of assets and liabilities within the financial year.

##### *Key sources of estimation uncertainty*

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### **Intangible asset**

The intangible asset (track records/import licenses) originated from the cross-border merger between Dutch and UK subsidiaries was fair-valued based on best estimates in conjunction with a third-party advisor, estimates comprise the expected volume and price at which such licenses would generate revenue, discount rate for cash flow projection and amortization period. The amortization of the intangible asset has been completed in 2022 therefore it holds nil amounts as at 31 December 2022, however it does not impact Penasul's import licenses nor its ability to pay preferential rates but that the necessary period to record import track records has elapsed.

#### 2.5 Revenue recognition

Turnover represents the invoiced value of goods supplied during the period, excluding value added tax, and is net of sales returns, trade discounts and rebates. Revenue is recognised either upon shipment of products or on delivery of the products, depending on when title to the product is transferred to the customer. This varies from customer to customer according to the terms of sale.

#### 2.6 Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as foreign exchange loss in the Profit and Loss Account and Other Comprehensive Income.

#### 2.7 Current and deferred Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.8 Current and deferred Tax (continued)

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### 2.8 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 2.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets.

Depreciation is provided on the following basis:

- Computer equipment - 33% on straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

#### 2.10 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recorded at fair value and amortized over a period of 18 months on a straight line basis, in order to write off the asset over its estimated useful life.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

#### 2.11 Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

#### 2.12 Impairment excluding stocks, and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.13 Impairment excluding stocks, and deferred tax assets (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 2.13 Defined contribution pension

The Company operates a defined contribution plan for its employees. A defined contributions plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid, the group has no further payment obligations.

The contributions are recognised as an expense in profit and loss when they fall due. Amount not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company and independently administered funds.

#### 2.14 Ordinary share capital and share premium

The ordinary share capital and share premium of the Company is presented as equity.

#### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.16 Other financial assets

Other financial assets including trade debtors for goods sold to customers on short-term credit, are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment.

#### 2.17 Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### 2.18 Provisions

Provisions are recognised when the entity has a legal or constructive present obligation as a result of a past event, and it's probable that the Company will be required to settle that obligation. Provisions are measured at best estimate of the expenditure required to pay settle obligation at the financial year end date.

#### 2.19 Investments

Investments in subsidiary undertakings are carried out at cost, less provisions for impairment.

#### 2.20 Other income

Other income represents the invoiced value of incomes that are not the main activity of the Company and are not related to financial revenue. Other income is recognised upon invoice issuance.

### 3 Turnover

The whole of the turnover is attributable to the one principal activity of the Company.

	2022 £'000	2021 £'000
Sale of goods	<u>135,569</u>	<u>96,008</u>

**Notes** *(continued)*

**3 Turnover** *(continued)*

By geographical market:

	2022 £'000	2021 £'000
United Kingdom	<u>135,569</u>	<u>96,008</u>

**4 Other income**

	2022 £'000	2021 £'000
Profit of disposal of licenses	4,505	2,984
Impairment of subsidiaries	<u>2,542</u>	<u>-</u>
	<u>7,047</u>	<u>2,984</u>

The Company earned £4,5mln (2021: £2,9mln) for selling import licenses to third parties. The import licenses are reinstated once a year when the new quota-year begins, therefore selling them to third parties do not deplete nor reduce the total import licenses held by Penasul UK. On the 15 February 2022, all 108 subsidiaries were dissolved and struck-off from the Registrar, as a result Penasul recorded an impairment gain of £ 2,5mln.

**5 Expenses and auditor's remuneration**

Included in profit are the following:

	2022 £'000	2021 £'000
Operating profit is stated after charging:		
Amortization of intangibles	1,173	2,347
Exchange (gain)/loss	(326)	272
Auditor's remuneration:		
- remuneration receivable by the Company's auditor on the auditing of the Company financial statements	75	62
- other services – tax compliance and assistance with strike-off	<u>39</u>	<u>64</u>

**6 Interest payable and similar expenses**

	2022 £'000	2021 £'000
Interest expenses	<u>299</u>	<u>117</u>

**7 Staff numbers and costs**

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

	Number of employees 2022	2021
Administration	<u>3</u>	<u>4</u>

## Notes (continued)

### 7 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	247	226
Social security costs	39	40
Other pension costs (note 19)	11	9
	<u>297</u>	<u>275</u>

### 8 Directors' remuneration

The director did not receive any remuneration from the Company during the year (2021: £Nil).

The director also holds office in other group undertakings. Emoluments paid to the director for services to other group companies is disclosed within those financial statements.

### 9 Taxation

Analysis of current tax recognised in profit and loss

	2022	2021
	£'000	£'000
Current tax		
UK Corporation tax on profit for the year	2,212	331
Adjustments in respect of prior periods	-	-
Total current tax recognised in profit and loss account	<u>2,212</u>	<u>331</u>

#### Factors affecting the tax charge for the year:

The tax assessed for the period differ from the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2022	2021
	£'000	£'000
Current tax		
<b>Profit on ordinary activities before taxation</b>	<u>14,244</u>	<u>1,773</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020 19%).	<u>2,706</u>	<u>337</u>
Effects of:		
Non allowable expenses	(12)	(6)
Non taxable income	(482)	-
<b>Total tax charge for the year</b>	<u>2,212</u>	<u>331</u>

#### Factors that may affect future current and total tax charges:

On 3 March 2021, it was announced that the main UK corporation tax rate will increase to 25% with effect from 1 April 2023, although this has not yet been substantively enacted. This will increase the Company's future tax charge accordingly.



## Notes (continued)

### 10 Investments

	Interests in subsidiary undertakings (£'000)
<b>Cost</b>	
At 1 January 2022	828
Impairment	(828)
At 31 December 2022	-

All 108 subsidiary companies ceased trading in the second quarter of 2021 and were struck-off and dissolved from the Registrar and impaired directly to profit and loss account at Penasul entity in February 2022.

### 11 Tangible fixed assets

	Computer & Equipment £'000
<b>Cost</b>	
Balance at 1 January 2022	-
Acquisitions	4
Balance at 31 December 2022	4
<b>Amortisation</b>	
Balance at 1 January 2022	-
Depreciation for the year	(1)
Balance at 31 December 2022	(1)
<b>Net book value</b>	
Balance at 1 January 2022	-
Balance at 31 December 2022	3

### 12 Intangible

	Import Licenses £'000
<b>Cost</b>	
Balance at 1 January 2022	3,520
Balance at 31 December 2022	3,520
<b>Amortisation</b>	
Balance at 1 January 2022	2,347
Amortisation for the year	1,173
Balance at 31 December 2022	3,520
<b>Net book value</b>	
Balance at 1 January 2022	1,173
Balance at 31 December 2022	-

## Notes (continued)

### 12 Intangible (continued)

The only intangible asset recognized by the Company is import licenses. Import licenses were amortized over a period of 18 months starting from 1 January 2021 following the straight-line method and assuming the residual value is zero. The period of amortization was based on the expected time-frame necessary to import goods paying full duties and build an import track record with the Rural Payments Agency, the import track records grants access to import licenses which allows the importer to pay import duties with preferential rates and that was the main goal of the subsidiaries cross-border merger that took place in 2020.

The importer's import licenses are replenished yearly once the track records is built, therefore the nil balance intangible do not impact Penasul's import licenses nor its ability to pay preferential rates but that the necessary period to record import track records has elapsed.

### 13 Stocks

	2022 £000	2021 £'000
Finished goods	<u>16,204</u>	<u>13,025</u>

During the year, there have been £nil (2021: £nil) impairment losses in relation to inventories.

### 14 Debtors

	2022 £000	2021 £'000
Trade debtors	25,507	15,787
Amounts owed by Group undertakings	3,216	301
VAT recoverable	-	68
Prepayments	10	10
Other debtors	5,715	945
	<u>34,448</u>	<u>17,111</u>

### 15 Creditors: amounts falling due within one year

	2022 £000	2021 £'000
Trade creditors	4,168	537
Amounts due to Group undertakings	25,444	29,833
Corporation tax	725	46
Loans and financings	7,931	-
Other creditors	299	454
	<u>38,567</u>	<u>30,870</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

## Notes (continued)

### 16 Called up share capital and premium

	Number of shares	Ordinary Shares £000	Share Premium £000	Total £000
At 31 December 2021	800,001	800	828	1,628
At 31 December 2022	800,001	800	828	1,628

The nominal value of each ordinary share of the Company is £1 and entitles the holder with equal rights to one vote at the meetings of the Company.

### 17 Reserves

The Company's capital and reserves are as follows:

#### Called up share capital and share premium

Called up share capital represents the nominal value of the shares issued and share premium represents the excess of the nominal value of the shares.

#### Profit and loss account

Profit and loss account represents the cumulative retained earnings and accumulated losses.

### 18 Capital and other commitments

The parent company Seara Holdings (Europe) B.V. via insurance companies has issued on behalf of the Company several guarantees as required by RPA (Rural Payments Agency) to secure the import licenses, these guarantees amount to a total of £14mIn (2021: £8mIn).

The company repays the costs associated with these guarantees and books it in the Profit and Loss Account as soon as the insurance companies bill the parent company.

### 19 Pension scheme

The Company makes contributions to defined contribution pension schemes for the benefit of certain employees.

The assets of the schemes are administered by trustees in funds independent from those of the group. The charge for the year was £10,744 (2021: £9,438). No balances are outstanding at the balance sheet date (2021: £Nil).

### 20 Related parties

The Company has taken advantage of the exemption contained paragraph 33.1A of FRS 102 not to disclose any transactions with its parent on the grounds that it is a 100% owned subsidiary and the consolidated financial statements of JBS S.A., in which the group is included, are publicly available.

There were no other transactions with related parties such as are required to be disclosed under FRS 102.

### 21 Controlling party

The Company is a subsidiary undertaking of Seara Food Europe Holding B.V., a company incorporated in The Netherlands with its registered office at Stroombaan 16, 5<sup>th</sup> floor, 1181 VX Amstelveen, The Netherlands.

The smallest group in which the results of the Company are consolidated is that headed by Seara Food Europe Holding B.V. The consolidated accounts of this company are available to the public and may be obtained from the Dutch Chamber of Commerce from its website [www.kvk.nl](http://www.kvk.nl) or upon request to following company's email address: [amstelveenoffice@seara.com.br](mailto:amstelveenoffice@seara.com.br)

## Notes (continued)

### 22 Controlling party (continued)

The largest group in which the results of the Company are consolidated is that headed by the company's ultimate parent undertaking and controlling party; JBS S.A. a company incorporated in Brazil with its registered office at Av. Marginal Direita do Tietê, 500, Vila Jaguara, São Paulo SP, Brazil.

The consolidated accounts of this company are available to the public and may be obtained from the company's website [www.jbs.com.br/ir](http://www.jbs.com.br/ir)

### 22 Contingent liabilities

Penasul UK Limited is involved in two different cases with the Belgian Customs authorities, regarding the import of poultry and the payment of additional import duties on the basis of the CIF-price. All additional import duties claimed were duly secured by the means of a judicial deposit of €448k (equivalent to £401k in May 2017), which is recognized in the current assets of Penasul UK Limited as at 31 December 2022.

On 10 February 2021, the court judgment in respect of these cases was delivered and found in favour of Penasul UK Limited. In November 2021 the Belgian Customs authority appealed the judgement, the appeal was introduced in a hearing in 12 Jan 2022 where the judge again acquitted Penasul from all charges.

On 16 Feb 2022 the Belgian Customs authority appealed again and on 11 January 2023 the Court of Appeal of Ghent delivered a judgement, overruling the first judgement. As a result Penasul UK was sentenced to pay EUR 889k (equivalent to £789k in December 2022). On 30 March 2023 Penasul submitted an appeal in cassation against the judgement before the Supreme Court. The judgement of the Supreme Court is to be expected at the earliest in September 2023.

No payment has been made until the date of the signature of these financial statements nor it includes the impacts of the said litigation, as the administration believes it is not material and would not impact the analysis of the final users of these information.

### 23 Events after the end of the reporting period

#### Belgian Customs Litigation:

On 11 January 2023 the Court of Appeal of Ghent delivered a judgement on regards to the Belgian Customs litigation case, overruling the previous judgements in favour of Penasul. As a result Penasul UK was sentenced to pay EUR 889k (equivalent to £789k in December 2022). On 30 March 2023 Penasul submitted an appeal in cassation against the judgement before the Supreme Court. The judgement of the Supreme Court is to be expected at the earliest in September 2023.

No payment has been made until the date of the signature of these financial statements nor it includes the impacts of the said litigation, as the administration believes there is still sufficient uncertainty regarding the final outcome of the appeal by Penasul.