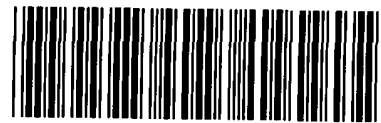


Glanbia (UK) Limited
Directors' report and financial statements
Registered number: 03263437
1 January 2022

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Company information

| | |
|----------------------------|---|
| Directors | M Garvey N O'Dwyer |
| Company secretary | N O'Dwyer |
| Registered number | 03263437 |
| Registered office | The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT United Kingdom |
| Independent auditor | Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland |
| Solicitors | Pinsent Masons 55 Colmore Row Birmingham B3 2FG United Kingdom |

Strategic report

The Directors present their Strategic report for the financial year ended 1 January 2022.

Business review

The Directors consider the results for the financial year and the year end position to be satisfactory given the nature of the Company's activity as a holding company.

The Directors expect that the Company will continue to be principally engaged in the holding of investments of the Glanbia plc group (the "Group") in the United Kingdom for the foreseeable future.

The Directors have considered the current and anticipated future financial position of the Company and expected cash flows over the coming 12 months. Although the Company shows a net current liability position, mainly due to the classification of the redeemable ordinary shares held by Glanbia Foods B.V. (notes 12 and 13 to the financial statements), it is expected that neither the Company nor the holder will require these shares to be redeemed in the next twelve months. The Directors are satisfied that the Company has sufficient reserves to meet the expected costs of the Company over the next 12 months. In the unlikely event that the redeemable ordinary shares are required to be redeemed within the next 12 months, the Company expects that it could obtain sufficient cash from dividend income from its financial fixed assets and, if required, the Company could also avail of support from its parent company to ensure that its liabilities are met. Accordingly the Directors believe it is appropriate to prepare the financial statements on a going concern basis.

Parent company

The Company regards Glanbia plc, a company incorporated in Ireland, as its ultimate holding company.

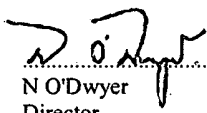
Principal risks and uncertainties

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the Company. The performance of the Company may also be affected by general economic conditions.

The principal risk affecting the Company is a potential decline in the carrying value of its investment in financial fixed assets.

The Company has a long and successful track record of managing these risks. The Directors are confident that they are capable of dealing with any issues that may arise.

This report was approved by the board on 7 September 2022 and signed on its behalf.


.....
N O'Dwyer
Director

Directors' report

The Directors present their report and the financial statements for the financial year ended 1 January 2022.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Principal activity

The Company is principally engaged in the holding of investments of the Group in the United Kingdom.

Results and dividends

The profit for the financial year after taxation amounted to £5,392,597 (2020: £3,928,903).

During the financial year the Company paid interim dividends of £4,500,000 (2020: £9,000,000) to Glanbia Foods B.V. (note 8 to the financial statements).

Going concern

In considering the appropriateness of preparing the financial statements on a going concern basis, the Directors note the Company's net asset position of £35,913,237. The Directors have also considered the effect of COVID-19 on the Company and they do not expect it to have an impact on the financial position and results of the Company for future periods.

Accordingly, the Directors believe it is appropriate to prepare the financial statements on a going concern basis.

Directors

The Directors who served during the financial year were:

M Garvey
N O'Dwyer

Directors' interests

The Directors do not hold any beneficial interest (as defined by the Companies Act 2006) in the shares of the Company at the beginning or end of the financial year. In accordance with the Companies (Disclosure of Directors Interests) (Exceptions) Regulations 2006, as the Company is a wholly owned subsidiary of Glanbia plc, a body incorporated outside Great Britain, no directors' interests in that company are required to be disclosed.

Future developments

The Directors expect that the Company will continue to be principally engaged in the holding of investments of the Group in the United Kingdom for the foreseeable future.

Directors' report (continued)

Disclosure of information to auditors

In accordance with the provisions of section 418 of the Companies Act 2006, each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Director's indemnity

The Company has entered into a qualifying third party indemnity arrangement for the benefit of its Directors as defined by section 234 of the Companies Act 2006 and which was in force throughout the year and remain in force.

Adequate accounting records

The Company's Directors are aware of their responsibilities, under section 386 of the Companies Act 2006, to maintain proper books of account and are discharging their responsibilities by using systems and procedures appropriate to the business and by employing qualified and experienced staff.

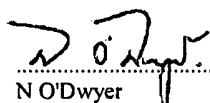
Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

Auditor

A resolution of the shareholders has been passed to dispense with the appointment of an auditor annually. Deloitte Ireland LLP will therefore continue as auditor to the Company.

This report was approved by the board and signed on its behalf by:



.....
N O'Dwyer

Director

Date: 7 September 2022

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Glanbia (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 01 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income statement;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in equity;
- the related notes 1 to 16.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

We obtained an understanding of the legal and regulatory framework(s) that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Ann McGonagle (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 7 September 2022

Income statement

for the financial year ended 1 January 2022

| | 2021 | 2020 |
|--|---------------------------|-------------------------|
| Note | £ | £ |
| Administrative expenses | <u>(61,549)</u> | <u>(7,876,865)</u> |
| Operating loss | 2 <u>(61,549)</u> | (7,876,865) |
| Income from shares in Group undertakings | 5 6,250,000 | 12,900,000 |
| Interest payable and similar charges | 6 <u>(795,854)</u> | <u>(1,094,232)</u> |
| Profit before tax | 5,392,597 | 3,928,903 |
| Tax on profit on ordinary activities | 7 <u>-</u> | <u>-</u> |
| Profit for the financial year | <u>5,392,597</u> | <u>3,928,903</u> |

The notes on pages 13 to 19 form part of these financial statements.

Statement of other comprehensive income
for the financial year ended 1 January 2022

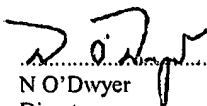
| | 2021 | 2020 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Profit for the financial year | <u>5,392,597</u> | <u>3,928,903</u> |
| Other comprehensive income: | | |
| Other comprehensive income for the financial year | <u>-</u> | <u>-</u> |
| Other comprehensive income for the financial year, net of income tax | <u>-</u> | <u>-</u> |
| Total comprehensive profit for the financial year | <u>5,392,597</u> | <u>3,928,903</u> |

The notes on pages 13 to 19 form part of these financial statements.

Balance sheet
at 1 January 2022

| | Note | 2021 £ | 2020 £ |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Financial fixed assets | 9 | <u>224,774,458</u> | <u>224,801,625</u> |
| | | 224,774,458 | 224,801,625 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | - | 4,529 |
| Cash at bank and in hand | 11 | <u>1,531,384</u> | <u>604,246</u> |
| | | 1,531,384 | 608,775 |
| Creditors: amounts falling due within one year | 12 | <u>(190,392,605)</u> | <u>(190,389,760)</u> |
| Net current liabilities | | <u>(188,861,221)</u> | <u>(190,389,760)</u> |
| Total assets less current liabilities | | <u>35,913,237</u> | <u>35,020,640</u> |
| Net assets | | <u>35,913,237</u> | <u>35,020,636</u> |
| Capital and reserves | | | |
| Called up share capital presented as equity | 13 | 100,000 | 100,000 |
| Profit and loss account | | <u>35,813,237</u> | <u>34,920,640</u> |
| Shareholder's equity | | <u>35,913,237</u> | <u>35,020,640</u> |

The financial statements were approved and authorised for issue by the board, and were signed on its behalf by:



 N O'Dwyer
 Director
 Date: 7 September 2022

The notes on pages 13 to 19 form part of these financial statements.

Statement of changes in equity
for the financial year ended 1 January 2022

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|--|--|--|-------------------------------|
| Balance at 5 January 2020 | 100,000 | 39,991,737 | 40,091,737 |
| Total comprehensive income for the financial year: | | | |
| Profit for the financial year | - | <u>3,928,903</u> | <u>3,928,903</u> |
| Total comprehensive income for the financial year | - | <u>3,928,903</u> | <u>3,928,903</u> |
| Transactions with owners, recorded directly in equity | | | |
| Dividend paid (note 8) | - | <u>(9,000,000)</u> | <u>(9,000,000)</u> |
| Total contributions by and distributions to owners | - | <u>(9,000,000)</u> | <u>(9,000,000)</u> |
| Balance at 2 January 2021 | 100,000 | 34,920,640 | 35,020,640 |
| Total comprehensive income for the financial year: | | | |
| Profit for the financial year | - | <u>5,392,597</u> | <u>5,392,597</u> |
| Total comprehensive income for the financial year | - | <u>5,392,597</u> | <u>5,392,597</u> |
| Transactions with owners, recorded directly in equity | | | |
| Dividends paid (note 8) | - | <u>(4,500,000)</u> | <u>(4,500,000)</u> |
| Total contributions by and distributions to owners | - | <u>(4,500,000)</u> | <u>(4,500,000)</u> |
| Balance at 1 January 2022 | <u>100,000</u> | <u>35,813,237</u> | <u>35,913,237</u> |

Notes to the financial statements

1. Accounting policies

1.1. Basis of preparation

Glanbia (UK) Limited (the "Company") is a company incorporated and domiciled in the United Kingdom. The address of its registered office is The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT.

These financial statements are prepared for the 52-week period ended 1 January 2022. Comparatives are for the 52-week period ended 2 January 2021. The balance sheets for 2021 and 2020 have been drawn up as at 1 January 2022 and 2 January 2021 respectively.

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101, where applicable:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- additional comparative information;
- disclosures in respect of transactions entered into between two or more members of a group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the reclassification of items in the financial statements; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Glanbia plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures where applicable:

- IFRS 2 'Share Based Payments' in respect of group settled share based payments;
- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- disclosures required by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the cash flows of discontinued operations;
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company; and
- disclosures required by IFRS 13 'Fair Value Measurement' and IFRS 7 'Financial Instrument Disclosures'.

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

The financial statements have been prepared in pound sterling ("£"), which is the Company's functional currency.

1.2. Measurement convention

The financial statements have been prepared under the historical cost convention except, where applicable, as modified by use of fair values for certain other financial assets and derivative financial instruments.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.3. Financial fixed assets

Investments in subsidiaries are measured at cost less accumulated impairment. Dividend income from investments in subsidiaries is recognised in profit or loss when the right to receive the dividend is established.

Impairment of financial assets

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. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.4. Going concern

The Directors have considered the current and anticipated future financial position of the Company and expected cash flows over the coming 12 months. Although the Company shows a net current liability position, mainly due to the classification of the redeemable ordinary shares held by Glanbia Foods B.V. (notes 12 and 13), it is expected that neither the Company nor the holder will require these shares to be redeemed in the next twelve months. The Directors are satisfied that the Company has sufficient reserves to meet the expected costs of the Company over the next 12 months. In the unlikely event that the redeemable ordinary shares are required to be redeemed within the next 12 months, the Company expects that it could obtain sufficient cash from dividend income from its financial fixed assets and, if required, the Company could also avail of support from its parent company to ensure that its liabilities are met. Accordingly the Directors believe it is appropriate to prepare the financial statements on a going concern basis.

1.5. Debtors

Trade and other debtors are classified and measured at amortised cost as they are held to collect contractual cash flows which comprise solely payments of principal and interest, where applicable. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition or where there has been a credit impaired event, a lifetime expected loss allowance is recognised, irrespective of the timing of the default.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. A loss allowance for debtors is estimated based on expected credit losses. To measure expected credit losses, historical loss rates are calculated based on historical credit loss experience. The loss allowance based on historical loss rates is adjusted where appropriate to reflect current information and forward-looking information on macroeconomic factors, which affect the ability of the debtors to settle the debtors. Debtors are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan with the Company.

1.6. Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and deposits held on call with banks.

1.7. Creditors

Trade and other creditors are recognised initially at their fair value and subsequently measured at amortised cost.

1.8. Interest payable and similar charges

Interest payable includes, where applicable, interest payable recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

1.9. Interest receivable and similar income

Interest income is recognised in the income statement as it accrues using the effective interest method.

1.10. Dividends

Dividends on ordinary shares to the Company's shareholders are recognised as a liability of the Company when approved. Interim dividends are recognised when paid.

Proposed dividends that are approved after the balance sheet date are not recognised as a liability but are disclosed in the notes to the financial statements

Dividend income is recognised in the income statement on the date the Company's right to receive payments is established.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.11. Taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

In accordance with the Spring Budget 2021, the UK corporation tax rate will increase to 25% from 1 April 2023 for companies with profits over £250,000 but will remain at 19% for companies with profits of £50,000 or less and tapering will apply for companies with profits between £50,000 and £250,000. The lower and upper limits will be proportionately reduced for short accounting periods and where there are associated companies. Deferred taxes at the balance sheet date have been measured using the 25% tax rate and reflected in these financial statements.

(i) Current tax

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the Company balance sheet date in countries where the Company operates and generates taxable income, taking into account adjustments relating to prior years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax legislation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is determined using tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recognised to the extent that they arise from the initial recognition of goodwill not having full tax basis.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.12. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There were neither critical accounting estimates nor significant judgments used in the preparation of these financial statements.

2. Operating loss

| | 2021 | 2020 |
|--|---------------|------------------|
| | £ | £ |
| The operating loss is stated after charging: | | |
| Audit fees payable to the Company's auditor | 6,410 | 7,280 |
| Impairment of financial fixed asset (note 9) | <u>27,167</u> | <u>7,840,000</u> |

3. Employees

The Company had no employees in 2021 (2020: nil).

Notes to the financial statements (continued)

4. Directors' remuneration

The Directors including their connected persons are not paid any remuneration in respect of the provision of their services as directors of the Company.

5. Income from shares in Group undertakings

| | 2021 £ | 2020 £ |
|---|------------------|-------------------|
| Interim dividend received from Glanbia Investments (UK) Limited | 6,250,000 | 900,000 |
| Interim dividend received from Glanbia Performance Nutrition (UK) Limited | - | 3,000,000 |
| Interim dividend received from KSF Acquisition UK Limited | - | 9,000,000 |
| | <u>6,250,000</u> | <u>12,900,000</u> |

6. Interest payable and similar charges

| | 2021 £ | 2020 £ |
|---|----------------|------------------|
| Interest payable on loans from Group undertakings | 795,854 | 1,094,232 |
| | <u>795,854</u> | <u>1,094,232</u> |

7. Taxation

| | 2021 £ | 2020 £ |
|--------------------|-----------|-----------|
| Current tax | - | - |
| Deferred tax | - | - |
| Taxation on profit | <u>-</u> | <u>-</u> |

Factors affecting tax charge for the financial year

The tax charge for the financial year is different than (2020: different than) the tax charge that would result from applying the standard rate of UK corporation tax to the profit before taxation. The UK corporation tax rate is 19% (2020: 19%). The differences are explained below:

| | 2021 £ | 2020 £ |
|--|-------------|-------------|
| Profit before tax | 5,392,597 | 3,928,903 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | 1,024,593 | 746,492 |
| Effects of: | | |
| Income not subject to taxation | (1,187,500) | (2,451,000) |
| Transfer pricing adjustments | (63,391) | (112,933) |
| Group relief surrendered | 221,097 | 327,421 |
| Expenses not deductible | 5,201 | 1,490,020 |
| Total tax on profit for the financial year | <u>-</u> | <u>-</u> |

Notes to the financial statements (continued)

7. Taxation (continued)

At 1 January 2022 the Company had not provided for deferred tax assets of £2,396,631 (2020: £1,821,440) on capital losses. There was insufficient evidence that this asset would be recoverable in future years. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This law was substantively enacted on 24 May 2021 and therefore this is a difference arising between the current year and the prior year values. However, the overall effect of the change, on the financial statements is nil because the deferred tax asset is not recognised in these financial statements.

Factors that may affect future tax charges

The total tax charge in future periods will be affected by any changes to the applicable UK tax rates and other relevant changes in tax legislation. The tax charge for the year has been increased by £221,097 (2020: £327,421) to nil, because of tax losses surrendered by the Company to fellow subsidiary undertakings. No payment for this surrender is to be made to the Company.

8. Dividends

The aggregate amount of dividends paid comprises:

| | 2021 € | 2020 € |
|--|------------------|------------------|
| Interim dividend to Glanbia Foods B.V.; declared 22 November 2021 and paid on 15 December 2021 | 3,000,000 | - |
| Interim dividend to Glanbia Foods B.V.; declared on 11 June 2021 and paid on 15 June 2021 | 1,500,000 | - |
| Interim dividend to Glanbia Foods B.V.; declared and paid on 15 December 2020 | - | 9,000,000 |
| | <u>4,500,000</u> | <u>9,000,000</u> |

9. Financial fixed assets

| | Investments in subsidiary companies £ | Total £ |
|--------------------------|--|---------------------|
| Cost | | |
| At 3 January 2021 | 236,708,625 | 236,708,625 |
| At 1 January 2022 | <u>236,708,625</u> | <u>236,708,625</u> |
| Provisions | | |
| At 3 January 2021 | (11,907,000) | (11,907,000) |
| Impairment - note (a) | (27,167) | (27,167) |
| At 1 January 2022 | <u>(11,934,167)</u> | <u>(11,934,167)</u> |
| Carrying amount | | |
| At 2 January 2021 | 224,801,625 | 224,801,625 |
| At 1 January 2022 | <u>224,774,458</u> | <u>224,774,458</u> |

Note (a): Impairment

During 2021 the carrying value of the Company's investment in KSF Acquisition UK Limited was reduced by £27,167 (note 2). In the prior year the carrying value of the Company's investment in Glanbia Securities (UK) Limited was reduced by £7,840,000.

In the opinion of the Directors the value to the Company of its investment in unlisted Group undertakings is not less than the aggregate amount at which it is stated in the financial statements.

Notes to the financial statements (continued)

9. Financial fixed assets (continued)

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

| Name | Registered office | Country of incorporation | Class of shares | Holding | Principal activity |
|---|--|--------------------------|-----------------|---------|--------------------------------|
| Glanbia Investments (UK) Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Investment holding company |
| Glanbia Performance Nutrition (UK) Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Performance nutrition products |
| Glanbia Performance Nutrition (UK Sales Division) Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Sales and distribution |
| Barretts & Baird (Wholesale) Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Inactive |
| Glanbia Consumer Meats Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Inactive |
| Glanbia Dormant Number 4 Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Inactive |
| Glanbia Fresh Meats (Gainsborough) Limited | C/o Pinsent Masons LLP, 13 Queens Road, Aberdeen, Scotland, AB15 4YL | United Kingdom | Ordinary | 100% | Inactive |
| Glanbia Securities (UK) Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Inactive |
| KSF Acquisition UK Limited | The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT | United Kingdom | Ordinary | 100% | Inactive |
| Optimum Nutrition EMEA Limited | C/o Pinsent Masons LLP, 13 Queens Road, Aberdeen, Scotland, AB15 4YL | United Kingdom | Ordinary | 100% | Inactive |

10. Debtors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|-----------|--------------|
| Amounts owed by Group undertakings - note (a) | - | 4,469 |
| Value added tax | - | 60 |
| | <u>-</u> | <u>4,529</u> |

Note (a): the amounts owed by Group undertakings were unsecured, interest free and had no specified repayment date and were therefore due on demand.

11. Cash at bank and in hand

| | 2021 £ | 2020 £ |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | <u>1,531,384</u> | <u>604,246</u> |

Notes to the financial statements (continued)

12. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | £ | £ |
| Amounts owed to Group undertakings – note (a) | 60,896,415 | 60,898,879 |
| Trade and other creditors | 490 | 850 |
| Accruals and deferred income | 10,700 | 5,031 |
| Redeemable ordinary shares issued to Glanbia Foods B.V. (note 13) | 129,485,000 | 129,485,000 |
| | <u>190,392,605</u> | <u>190,389,760</u> |

Note (a): included in the amounts owed to Group undertakings is an interest bearing loan of £37,700,000 (2020: £37,700,000) advanced to the Company by Waterford Foods International Limited, a wholly owned indirect subsidiary of the Company registered in England and Wales. The interest rate applying to the loan from 15 December 2021 is 2.33% (2020: 2.11% from 16 December 2020).

13. Share capital

| | 2021 | | 2020 | |
|--|-------------------------------------|---|-------------------------------------|---|
| | Ordinary shares of £1.00 each | Redeemable ordinary shares of £1.00 each | Ordinary shares of £1.00 each | Redeemable ordinary shares of £1.00 each |
| | £ | £ | £ | £ |
| Authorised | | | | |
| At start of financial year | 100,000 | 129,485,000 | 100,000 | 129,485,000 |
| At end of financial year | <u>100,000</u> | <u>129,485,000</u> | <u>100,000</u> | <u>129,485,000</u> |
| Allotted called up and fully paid | | | | |
| At start of financial year | 100,000 | 129,485,000 | 100,000 | 129,485,000 |
| At end of financial year | <u>100,000</u> | <u>129,485,000</u> | <u>100,000</u> | <u>129,485,000</u> |

Redeemable ordinary shares

The redeemable ordinary shares of £1.00 each are held by Glanbia Foods B.V. Redemption is required to be completed no later than 14 September 2030. Either the Company or the holder of the redeemable ordinary shares can instigate redemption subject to a notice period of not less than one month. Redemption will be for an amount equal to the nominal value of the redeemable ordinary shares issued together with any premium paid up on that share. The cash consideration received by the Company in 2006 for the redeemable ordinary shares was £129,485,000 (note 12).

14. Group membership

The Company is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006.

The Company is a subsidiary of Glanbia plc. Glanbia plc prepares consolidated financial statements for the smallest group of undertakings which includes Glanbia (UK) Limited. Glanbia plc is registered in Ireland and a copy of its financial statements can be obtained from Glanbia House, Kilkenny, Ireland or are currently available for download from the Group's website at www.glanbia.com.

15. Related party transactions

The Directors of the Company including their connected persons did not enter into any transactions with the Company in the current or preceding year and had no receivable or payable balances outstanding at 1 January 2022 and 2 January 2021.

The Company has availed of the exemptions available in FRS 101 "Reduced Disclosure Framework" from disclosing transactions entered into between two or more members of a group and key management personnel.

16. Post balance sheet events

There have been no significant events affecting the Company since the financial year end.