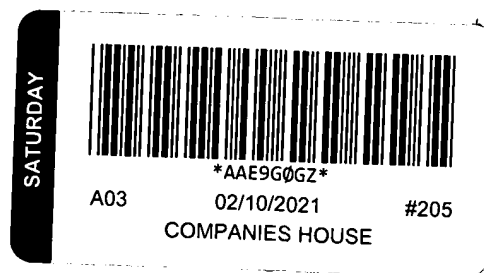


Registration number: 09327364

Upfield Spreads UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2020



Upfield Spreads UK Limited

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Upfield Spreads UK Limited

Company Information

Directors Mr A W Baratt
Ms L J Evison

Company secretary Mr A W Barratt

Registered number 09327364

Registered office Floor 2
The Caxton
1 Brewer's Green
London
SW1H 0RH

**Independent
Auditors** KPMG LLP
Statutory Auditor
15 Canada Square
London
E14 5GL
United Kingdom

Upfield Spreads UK Limited

Strategic Report

for the year ended 31 December 2020

The Directors submit their report and audited financial statements of the Company for the year ended 31 December 2020.

Business review

The Directors consider that, in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year was satisfactory. The Directors do not expect any development in the Company's business in the coming year which is significantly different from its present activities.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. These business risks and uncertainties affecting the Company are considered to relate to consumption levels, customer landscape, competitor activity, and physical risks, legislative, fiscal and regulatory conditions.

Additional risks that this Company and the Upfield group of companies are subject to and how they are managed in the context of the Upfield group of companies is provided in the consolidated financial statements of Upfield Group B.V. for the year ended 31 December 2020 a parent company of the Company.

Covid - 19

The Directors have assessed the financial position and prospects for the Company, including risks and uncertainties arising from the Covid-19 pandemic and do not consider that these will have a material impact on the Company's operations.

Financial key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Upfield Spreads UK Limited

Strategic Report

for the year ended 31 December 2020

Directors statement of responsibilities under section 172 Companies Act 2006

The Directors have acted in good faith to promote the success of the Company for the benefits of its members as a whole, and as such consider:

- The likely consequences of any decisions in the long-term
- The need to foster the Company's business relationships
- The extent of impacts on the community and environment
- The desire to maintain a reputation of high standards of business conduct
- The need to act fairly between members of the Company

Consistent with the principal activity being that of a holding company, the Company does not have any employees and hence there are no specific matters to be reported in connection with employee engagement.

The Directors recognise the importance of engaging with relevant stakeholders, including members of the wider Upfield Group, to inform strategy and board decision making. Contributing to the overall success of the Upfield Group growth strategy within the plant-based foods segment through reinvigorating existing brands, supporting the launch of new products and building presence in higher growth channels are all undertaken in a manner that reflects the needs and priorities of differing stakeholders. A specific element related to this is the active management and promotion of good corporate governance across the Company's own affairs as well as those of its subsidiaries. Additionally, responding to implications related to the United Kingdom's exit from the European Union has led to the Company taking steps to preserve the both its long term interests and those of the wider Upfield Group.

Approved by the Board on 30 September 2021 and signed on its behalf by:

Laura Evison

.....
Ms L J Evison
Director

Upfield Spreads UK Limited

Directors' Report

for the year ended 31 December 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £15,625,000 (2019: £16,405,000).

The dividends paid of £6,981 (2019: £1,020) per ordinary share amounting to a total dividend of £1,473,028,000 (2019: £215,303,000) for the year.

Directors of the Company

The Directors of the Company who held office during the year, up to the date of signing these financial statements, except as otherwise noted, were as follows:

Mr F J T Unna (resigned 11 March 2021)

Mr A W Barratt

The following director was appointed after the year end:

Ms L J Evison (appointed 11 March 2021)

Directors' Indemnities

Pursuant to the Company's articles of association, the Directors were throughout the financial year ended 31 December 2020 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006.

Strategic report

The information that fulfils the Companies Act requirements of the business review is included within the Strategic report. This includes a review of the development of the business, financial risk management and likely future developments within the business.

Political and charitable donations

The Company made no donations or incurred any political and charitable expenditure during the year ended 31 December 2020 (2019: £nil).

Future developments

Following the completion of the full separation from Unilever in January 2020, management will continue to focus on contributing to the successful execution of the overall Upfield Group growth strategy within the plant-based foods segments by reinvigorating existing brands, supporting the launch of new products and building presence in higher growth Channels.

Upfield Spreads UK Limited

Directors' Report

for the year ended 31 December 2020

Financial risk management, objectives and policies

Foreign currency risk

The Company monitors and manages the foreign currency risk relating to the operations of the Company, with the assistance of the treasury department of Upfield Group B.V.

Liquidity risk

The Company ensures availability of funding for its operations through an appropriate amount of committed bank facilities on a group wide basis.

Other risks

The Company is exposed to interest rate risk arising out of amounts owed to/by group undertakings. The exposures to interest rate risks have not been hedged as there is no net interest rate risk at group level on account of intra group loan balances.

Going concern

Notwithstanding net current liabilities of £214,576,000, which is stated net of debtors due after more than one year of £43,252,000, as at balance sheet date and a loss for the year then ended of £15,625,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have 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").

The Company has also received a letter of support from a parent company, Upfield Group B.V. confirming the intention that it will continue to fund the Company's expenses and liabilities for the period of 12 months from the date of approval of the financial statements. 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.

Post balance sheet events

On 29th July 2021, Upfield Bulgaria EOOD, a directly held subsidiary was liquidated. The investment in the subsidiary was fully impaired during 2019. There have been no other post balance sheet events that are necessary for the directors to report on.

Upfield Spreads UK Limited

Directors' Report

for the year ended 31 December 2020

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' Report confirm that so far as they are each aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

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.

This report was approved by the Board on 30 September 2021 and signed on its behalf by:

Laura Evison

.....
Ms L J Evison
Director

Floor 2
The Caxton
1 Brewer's Green
London
SW1H 0RH

Upfield Spreads UK Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

for the year ended 31 December 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and FRS 101 Reduced Disclosure Framework .

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Upfield Spreads UK Limited

Independent Auditor's Report to the Members of Upfield Spreads UK Limited

Opinion

We have audited the financial statements of Upfield Spreads UK Limited ("the company") for the year ended 31st December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31/12/2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including FRS 101 *Reduced Disclosure Framework*; 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 directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have 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 directors' 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 directors' 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 directors' 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.

Upfield Spreads UK Limited

Independent Auditor's Report to the Members of Upfield Spreads UK Limited

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 directors and inspection of policy documentation 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.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors
- 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 our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company is a holding subsidiary company for Upfield Group BV and its turnover consists of transfer pricing markups from recharges. The entity's financial performance is not correlated to revenue hence we deem that revenue does not constitute a significant risk.

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 and approved by the same user those posted to unusual accounts as well as material post close journal entries as well as journals entries with a high-risk narrative.

Upfield Spreads UK Limited

Independent Auditor's Report to the Members of Upfield Spreads UK Limited

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, through discussion with the directors and other management, and from inspection of the Company's regulatory and legal correspondence and discussed with the directors 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, distributable profits legislation, taxation legislation, and data protection 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. We identified the following areas as those most likely to have such an effect: anti-bribery, recognising the nature of the Company's activities. 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.

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.

Upfield Spreads UK Limited

Independent Auditor's Report to the Members of Upfield Spreads UK Limited

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report 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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are 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.

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.

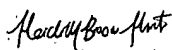
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Upfield Spreads UK Limited

Independent Auditor's Report to the Members of Upfield Spreads UK Limited

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.



.....
HEIDI BROOM-HIRST (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Chartered Accountants

15 Canada Square,
Canary Wharf,
London
E14 5GL

30 September 2021

Upfield Spreads UK Limited

Profit and Loss Account and Comprehensive Income for the year ended 31 December 2020

| | Note | 2020 £ 000 | 2019 £ 000 |
|--|------|-----------------|-----------------|
| Turnover | 4 | 2,143 | 1,699 |
| Administrative expenses | 5 | (1) | - |
| Amortisation charges | 5 | <u>(5,421)</u> | <u>(5,421)</u> |
| Operating loss | 5 | (3,279) | (3,722) |
| Interest receivable and similar income | 9 | 1,979 | 1,977 |
| Interest payable and similar charges | 10 | (14,079) | (13,541) |
| Exchange adjustments | | (246) | 289 |
| Amounts written off investments | 13 | <u>-</u> | <u>(1,408)</u> |
| Loss before tax | | (15,625) | (16,405) |
| Tax on profit | 11 | <u>-</u> | <u>-</u> |
| Loss for the year | | <u>(15,625)</u> | <u>(16,405)</u> |
| Total comprehensive loss for the year | | <u>(15,625)</u> | <u>(16,405)</u> |

The above results were derived from continuing operations.

There were no recognised gains or losses for the financial year 2020 and 2019 other than those included in the profit and loss account.

The notes on pages 16 to 36 form an integral part of these financial statements.

Upfield Spreads UK Limited

Balance Sheet

as at 31 December 2020

| | Note | 2020 £ 000 | 2019 £ 000 |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 97,584 | 103,006 |
| Investments | 13 | <u>211,663</u> | <u>1,316,858</u> |
| | | <u>309,247</u> | <u>1,419,864</u> |
| Current assets | | | |
| Debtors due more than one year | 14 | 43,252 | 36,116 |
| Debtors due within one year | 14 | 2,263 | 2,232 |
| Cash at bank and in hand | 16 | <u>1</u> | <u>2</u> |
| | | 45,516 | 38,350 |
| Creditors: Amounts falling due within one year | 15 | <u>(260,092)</u> | <u>(242,723)</u> |
| Net current liabilities | | <u>(214,576)</u> | <u>(204,373)</u> |
| Net assets | | <u>94,671</u> | <u>1,215,491</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 211 | 211 |
| Share premium account | 17 | 3,036 | 3,036 |
| Profit and loss account | | <u>91,424</u> | <u>1,212,244</u> |
| Shareholders' funds | | <u>94,671</u> | <u>1,215,491</u> |

The financial statements were approved by the Board of Directors on 30 September 2021 and were signed on its behalf by:

Laura Evison

.....
Ms L J Evison
Director

Registration number: 09327364

The notes on pages 16 to 36 form an integral part of these financial statements.

Upfield Spreads UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

| | <i>Note</i> | <i>Called up share capital £ 000</i> | <i>Share premium account £ 000</i> | <i>Capital contribution reserve £ 000</i> | <i>Profit and loss account £ 000</i> | <i>Total £ 000</i> |
|----------------------------|-------------|--|--|---|--|------------------------|
| At 1 January 2019 | | 211 | 888,176 | 449,351 | 106,425 | 1,444,163 |
| Loss for the year | | - | - | - | (16,405) | (16,405) |
| Total comprehensive loss | | - | - | - | (16,405) | (16,405) |
| Issue of shares | | - | 3,036 | - | - | 3,036 |
| Reduction of share premium | | - | (888,176) | - | 888,176 | - |
| Bonus issue | | 449,351 | - | (449,351) | - | - |
| Cancellation of shares | 17 | (449,351) | - | - | 449,351 | - |
| Dividends | | - | - | - | (215,303) | (215,303) |
| At 31 December 2019 | | 211 | 3,036 | - | 1,212,244 | 1,215,491 |
| At 1 January 2020 | | 211 | 3,036 | - | 1,212,244 | 1,215,491 |
| Loss for the year | | - | - | - | (15,625) | (15,625) |
| Total comprehensive loss | | - | - | - | (15,625) | (15,625) |
| Issue of shares | 17 | 367,833 | - | - | - | 367,833 |
| Reduction of share capital | 17 | (367,833) | - | - | 367,833 | - |
| Dividends | | - | - | - | (1,473,028) | (1,473,028) |
| At 31 December 2020 | | 211 | 3,036 | - | 91,424 | 94,671 |

The notes on pages 16 to 36 form an integral part of these financial statements.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Upfield Spreads UK Limited (the "Company") is a private company limited by share capital, incorporated and domiciled and registered in the UK. The registered number is 09327364 and the registered address Floor 2, The Caxton 1 Brewer's Green, London, SW1H 0RH.

The Company is the holding company of the Spreads Business Units in Europe.

Sigma Luxco S.a.r.L. and its subsidiaries are collectively known as the ("Upfield Group").

Basis of preparation

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 Accounting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has been set out below where advantages of the FRS 101 disclosure exemptions have been taken.

The Company's functional and presentation currency is GBP.

The values presented in these financial statements have been rounded to the nearest thousand £000 unless where otherwise stated.

Going concern

Notwithstanding net current liabilities of £214,576,000, which is stated net of debtors due after more than one year of £43,252,000, as at balance sheet date and a loss for the year then ended of £15,625,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have 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").

The Company has also received a letter of support from a parent company, Upfield Group B.V. confirming the intention that it will continue to fund the Company's expenses and liabilities for the period of 12 months from the date of approval of the financial statements. 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.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of Sigma Topco B.V. includes equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures where applicable:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement; and

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

Exemption from preparing group accounts

The Company's immediate parent is Upfield Holdings B.V. which is in turn a wholly-owned subsidiary of Sigma Topco B.V. The ultimate parent is Sigma Luxco S.a.r.l.. The Company is included in the consolidated financial statements of Sigma Luxco S.a.r.l. which are publicly available from the address provided in note 18. The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking.

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis less any impairment, excluding investments which are stated at fair value due to an impairment. Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, as appropriate.

Turnover

Turnover excludes value added tax and comprises of royalties received from a group company.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Interest income and expense

Interest income and expense are recognised in the Profit and loss account using the effective interest method.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Taxation

Current Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

A deferred tax asset for deductible temporary differences and the carry forward of unused tax losses and unused tax credits is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax asset on deductible temporary differences is recognised if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences between the tax base and the accounting base of items included in the balance sheet of the Company. The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction which is (i) not a business combination and (ii) at the time of the transaction, affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries to the extent (i) the Company is able to control the timing of the reversal of the temporary difference and (ii) it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Upfield Spreads UK Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 Accounting policies (continued)

Intangible assets

Intangible assets comprise the trademarks for Upfield's iconic brands which are market leaders in their respective markets. These assets are capitalised at cost and following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses and are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment and amortisation is charged to the profit and loss account and comprehensive income as it arises.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful economic life is assessed at 20 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The useful life of the major assets is:

| | |
|------------|----------|
| Trademarks | 20 years |
|------------|----------|

When an indication of impairment exists, the recoverable amount for the entire block of the intangible assets are estimated at the reporting date as one cash-generating unit. The recoverable amount of this block of intangible assets is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the block of intangible assets. For the purpose of impairment testing, the assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of the entire block of intangible assets exceeds its estimated recoverable amount. Any impairment is charged to the income statement as it arises. 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 if there has been a change in the estimates used to determine the recoverable amount. 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, if no impairment loss had been recognised.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Investment in group undertakings (subsidiaries)

Investments in group undertakings are entities controlled by the Company, where control is the power directly or indirectly to govern the financial and operating policies of the entity so as to obtain benefit from its activities. Investments in group undertakings are held at cost less accumulated impairment losses.

The carrying amounts of the Company's investments in group undertakings, are reviewed at each reporting date individually to determine whether there are any indications of impairment. If any such indication exists, then the recoverable amounts for each investment are estimated. The recoverable amount of each investment is an amount greater of the investment's value in use and fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment. For the purpose of impairment testing, each investment is assessed separately. For each of the investments, where the carrying values are assessed to exceed the estimated recoverable amount an impairment charge is taken to the profit and loss account and comprehensive income.

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 if there has been a change in the estimates used to determine the recoverable amount. 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, if no impairment loss had been recognised.

Financial Instruments

(i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability is initially measured at fair value.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Financial Instruments - (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions:

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

A debt investment is measured at FVTOCI if it meets both of the following conditions:

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

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents comprise cash balances.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVTOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Financial Instruments - (continued)

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade debtors and contract assets are always measured at an amount equal to lifetime ECL. Trade debtors and contract assets with a significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies (continued)

Financial Instruments - (continued)

The company assumes that the credit risk on a financial asset has increased significantly if it is aged greater than the agreed credit terms.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is aged significantly greater than the agreed credit terms.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Critical accounting judgements and key sources of estimation uncertainty

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

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of investments and intangible assets

The Company makes an estimate of the recoverable value of the investments and intangible assets when an indicator of impairment exists. For description of Management's approach see Valuation of investments and intangible assets accounting policies.

Amortisation of intangible assets

The key judgement impacting the results of the Company is the consideration of the useful economic life of the intangible assets. In the prior year the useful economic life of the trademarks was changed from infinite to finite with a life of 20 years resulting in an amortisation charge of £5,421,000 (2019: £5,421,000) to the profit and loss.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

3 New and amended standards and interpretation

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

4 Turnover

The analysis of the Company's turnover for the year from continuing operations is as follows:

| | 2020 £ 000 | 2019 £ 000 |
|--------------------|---------------|---------------|
| Royalties received | <u>2,143</u> | <u>1,699</u> |

All turnover in 2020 and 2019 is related to royalties.

5 Operating loss

Arrived at after charging

| | 2020 £ 000 | 2019 £ 000 |
|---------------------|---------------|---------------|
| Bank charges | 1 | - |
| Amortisation charge | <u>5,421</u> | <u>5,421</u> |

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Auditors' remuneration

| | <i>2020</i> <i>£ 000</i> | <i>2019</i> <i>£ 000</i> |
|-----------------------------------|-----------------------------|-----------------------------|
| Audit of the financial statements | <u>14</u> | <u>14</u> |

The audit fees of £14,000 (2019: £14,000) was borne by a subsidiary of the Company. The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

7 Employee information

No employees were employed by the Company during 2020 (2019: no employees) and no employee costs were incurred by the Company (2019: £nil).

8 Directors' remuneration

No remuneration (2019: £nil) was paid by the Company to the Directors. All Directors are remunerated by Upfield UK Services Limited and Upfield Europe B.V. in respect of their services to the Upfield Group as a whole. None of these costs are charged to the Company.

9 Interest receivable and similar income

| | <i>2020</i> <i>£ 000</i> | <i>2019</i> <i>£ 000</i> |
|--|-----------------------------|-----------------------------|
| Interest receivable on amount owed by group undertakings | <u>1,979</u> | <u>1,977</u> |

10 Interest payable and similar charges

| | <i>2020</i> <i>£ 000</i> | <i>2019</i> <i>£ 000</i> |
|---|-----------------------------|-----------------------------|
| Interest payable on amount owed to group undertakings | <u>14,079</u> | <u>13,541</u> |

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Taxation

Tax recognised in the profit and loss account and other comprehensive income

| 2020 | 2019 |
|-------|-------|
| £ 000 | £ 000 |

UK Corporation tax

Current tax on income for the year

| | |
|---|---|
| - | - |
|---|---|

The tax rate on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

| 2020 | 2019 |
|-------|-------|
| £ 000 | £ 000 |

| | | |
|--|----------|----------|
| Loss before tax | (15,625) | (16,405) |
| Tax on profit at standard UK corporation tax rate of 19% (2019: 19%) | (2,966) | (3,117) |
| Effects of: | | |
| Expenses not deductible | - | 267 |
| Effects of group relief/ other reliefs | 2,154 | 1,822 |
| Amounts not recognised | - | 216 |
| Non-qualifying asset | 812 | 812 |
| Total tax charge for the year | - | - |

Factors affecting future tax rates

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. There is no impact on financial statements as the Company does not recognise deferred tax.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Intangible assets

| | <i>Trademarks</i> £ 000 |
|-----------------------|----------------------------|
| Cost | |
| At 1 January 2020 | 108,426 |
| At 31 December 2020 | 108,426 |
| Amortisation | |
| At 1 January 2020 | 5,421 |
| Amortisation charge | 5,421 |
| At 31 December 2020 | 10,842 |
| Net book value | |
| At 31 December 2020 | 97,584 |
| At 31 December 2019 | 103,006 |

In the prior year management have reassessed the useful economic life of the trademarks and this was changed from indefinite to finite, with a life of 20 years. Amortisation of £5,421,000 is expected to be charged per annum on a straight-line basis over the remaining useful life, which is, as at 31 December 2020, 18 years.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments

Investment in subsidiaries

£ 000

Cost

| | |
|---------------------|----------------|
| At 1 January 2020 | 1,535,523 |
| Additions | 367,833 |
| Disposals | (1,473,028) |
| At 31 December 2020 | <u>430,328</u> |

Provision for impairment

| | |
|---------------------|------------------|
| At 1 January 2020 | <u>(218,665)</u> |
| At 31 December 2020 | <u>(218,665)</u> |

Carrying Amount

| | |
|---------------------|------------------|
| At 31 December 2020 | <u>211,663</u> |
| At 31 December 2019 | <u>1,316,858</u> |

The additions and disposals during the year in the investments in group undertakings consist of investments in Upfield Europe B.V.

The additions during 2019 in the investments in group undertakings consisted of investments in Upfield Europe B.V.

There is no impairment charge in the current year. The 2019 impairment charges had arisen in respect of the write down of two of the Company's investments in its directly held subsidiaries, Upfield SCE Srl and Upfield Bulgaria EOOD. On 29th July 2021 Upfield Bulgaria EOOD was liquidated

The investments are in group undertakings of the Company. Their names together with their country of incorporation/registration are listed below. A description of the shares held and the proportion held is also shown below:

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments (continued)

Details of the group undertakings as at 31 December 2020 are as follows:

| <i>Name of group undertaking</i> | <i>Principal activity</i> | <i>Registered office</i> | <i>Class of share held</i> | <i>Proportion of ownership interest and voting rights held</i> |
|----------------------------------|---------------------------|--|----------------------------|--|
| Upfield Austria GmbH | Spreads | Gertrude-Fröhlich-Sandner-Straße 3, 1100 Wien Austria | Ordinary | 100% |
| Upfield Spreads Belgium NV/SA | Spreads | Atlantis Business Park, 1082 St-Agatha-Berchem, 586 Keizer Karellaan, Brussels Belgium | Ordinary | 100% |
| Upfield ČR, spol. s r.o. | Spreads | Anděl Park, Karla Engliš 6, P5, Praha Czech Republic | Ordinary | 100% |
| Upfield Danmark A/S | Spreads | Flæsketorvet 28, 1711 København V Denmark | Ordinary | 100% |
| Upfield Finland Oy | Spreads | Lautatarhankatu 6, 00580 Helsinki Finland | Ordinary | 100% |
| Upfield France S.A.S. | Spreads | 15 Avenue, Edouard Belin, 92500, Rueil-Malmaison France | Ordinary | 100% |
| Upfield Verwaltungs GmbH | Spreads | Valentinskamp 88-90, Hamburg Germany | Ordinary | 100% |
| Upfield Deutschland GmbH | Spreads | Valentinskamp 88-90, Hamburg Germany | Ordinary | 100% |
| Upfield Hungary Kft | Spreads | 1138-Budapest, Váci út. 91. II emelet Hungary | Ordinary | 100% |

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments (continued)

| <i>Name of group undertaking</i> | <i>Principal activity</i> | <i>Registered office</i> | <i>Class of share held</i> | <i>Proportion of ownership interest and voting rights held</i> |
|----------------------------------|------------------------------------|---|----------------------------|--|
| Upfield Spreads Ireland Limited | Spreads | 20 Riverwalk National Digital Park, Citywest, Business Campus Dublin 24 Ireland | Ordinary | 100% |
| Upfield Italia S.r.l. | Spreads | Corso Vercelli, n. 40, 20145 Milano Italy | Ordinary | 100% |
| Upfield Polska sp. z o.o. | Spreads | Żwirki i Wigury 14 02-092 Warszawa Poland | Ordinary | 100% |
| Upfield Slovensko spol s.r.o. | Spreads | Karadzicova 10, 811 02, Bratislava Slovakia | Ordinary | 100% |
| Upfield Spain S.L.U. | Spreads | Carrer Balmes 268-270, 5 ^a planta, 08006 Barcelona Spain | Ordinary | 100% |
| Upfield Sweden AB | Spreads | Svetsarvägen 15, 171 22 Solna Sweden | Ordinary | 100% |
| Upfield Sourcing Sweden AB | Spreads | Svetsarevaegen 15, 171 22 Solna Sweden | Ordinary | 100% |
| Upfield Schweiz GmbH | Spreads | Bahnhofstrasse 19, CH-8240, Thayngen Switzerland | Ordinary | 100% |
| Upfield UK Services Limited | Provide services for rest of Group | Floor 2, The Caxton, 1 Brewer's Green, London, SW1H 0RH United Kingdom | Ordinary | 100% |

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments (continued)

| <i>Name of group undertaking</i> | <i>Principal activity</i> | <i>Registered office</i> | <i>Class of share held</i> | <i>Proportion of ownership interest and voting rights held</i> |
|---|---------------------------|--|----------------------------|--|
| Upfield Foods UK Limited | Spreads | Floor 2, The Caxton, 1 Brewer's Green, London, SW1H 0RH United Kingdom | Ordinary | 100% |
| Upfield Sourcing Nederland B.V.* | Spreads | Nassaukade 3, 3071 JL, Rotterdam Netherlands | Ordinary | 100% |
| Upfield Nederland B.V.* | Spreads | Nassaukade 3, 3071 JL, Rotterdam Netherlands | Ordinary | 100% |
| Upfield Research and Development B.V.* | Perform R&D for Group | Nassaukade 3, 3071 JL, Rotterdam Netherlands | Ordinary | 100% |
| Upfield Sourcing Deutschland GmbH & Co OHG* | Spreads | Valentinskamp 88-90, Hamburg Germany | Ordinary | 100% |
| Upfield South Africa (Pty) Ltd* | | Central Office Park Unit 4, 257 Jean Avenue, Centurion, Gauteng, 0157 South Africa | Ordinary | 100% |
| Upfield Bulgaria EOOD | Ordinary | Mladost Municipality Mladost 4, 1 Business Street, Building 3, Floor 1, Sofia 1715 Bulgaria | Ordinary | 100% |
| Upfield SCE Srl | Ordinary | Building Republic 11291, Building Ordinary P+4, Floor 4, Office No.4, Ploiesti Prahova County, 10072 Romania Romania | Ordinary | 100% |

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments (continued)

* indicates indirect investments of the company

In the opinion of the Directors, the value of the investment in group undertakings consisting of shares and amounts owing, is not less than the amount at which the investment is stated in the balance sheet.

14 Debtors

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| <i>Due after more than one year</i> | | |
| Amounts owed by Upfield group undertakings | <u>43,252</u> | <u>36,116</u> |

Amounts owed by Upfield group undertakings include balances from Upfield B.V. which are interest bearing, unsecured and payable on demand.

Balances are repayable on demand, however the management of the Company does not intend to recall these balances within the next twelve months from the balance sheet date.

| | 2020 £ 000 | 2019 £ 000 |
|----------------------------|---------------|---------------|
| <i>Due within one year</i> | | |
| Corporation tax asset | <u>2,263</u> | <u>2,232</u> |
| | <u>2,263</u> | <u>2,232</u> |

15 Creditors: amounts falling due within one year

| | 2020 £ 000 | 2019 £ 000 |
|-----------------------------------|----------------|----------------|
| <i>Due within one year</i> | | |
| Amounts due to group undertakings | <u>260,092</u> | <u>242,723</u> |

Amounts due to group undertakings include balances to Upfield Treasury B.V., Upfield UK Services Limited and Upfield B.V.. Balances are interest bearing, unsecured and payable on demand.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Cash and cash equivalents

| | 2020 £ 000 | 2019 £ 000 |
|--------------|---------------|---------------|
| Cash at bank | <u>1</u> | <u>2</u> |

17 Share capital

Authorised, allotted and called up and fully paid shares

Ordinary shares of £1 each:

| | No. '000 | 2020 £ 000 | No. '000 | 2019 £ 000 |
|------------------------------|------------------|------------------|-------------|---------------|
| At 1 January | 211 | 211 | 211 | 211 |
| Bonus shares issued | - | - | 449,351 | 449,351 |
| Cancellation of bonus shares | - | - | (449,351) | (449,351) |
| Issue of shares | 367,833 | 367,833 | - | - |
| Reduction of share capital | <u>(367,833)</u> | <u>(367,833)</u> | <u>-</u> | <u>-</u> |
| At 31 December | <u>211</u> | <u>211</u> | <u>211</u> | <u>211</u> |

- On 14th January 2020, 367,833,000 ordinary shares were issued at par and 1 ordinary share was issued at premium for £0.62. Further, on 29th January 2020, 367,833,000 ordinary shares were cancelled for the purpose of creating distributable reserves.
- On 28th January 2019, 1 ordinary share was issued at premium for £563,000.
- On 4th February 2019, 1 ordinary share was issued at premium for £576,000.
- On 19th February 2019, 1 ordinary share was issued at premium for £1,897,000.
- On 30th October 2019, 449,351,000 bonus ordinary shares were issued against capital contribution reserve balance of £449,351,000 (see note). On the same day i.e. 30th Oct 2019 these shares were simultaneously cancelled for the purpose of creating distributable reserves.
- Further on 30th October 2019, share premium balance was reduced by £888,176 for the purpose of creating distributable reserves.

Upfield Spreads UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

18 Controlling Party

The parent company of the Company is Upfield Holdings B.V. ("the immediate holding company"), a Dutch registered company, and the ultimate controlling party of the Company is Kohlberg Kravis Roberts & Co. Inc. (KKR).

The ultimate parent of the Company is Sigma Luxco S.à r.l.. The results of the ultimate parent are prepared and include the results of the Company. The copies of these financial statements are available at Sigma Luxco S.à r.l.'s registered office in 2, rue Edward Steichen, L-2540 Luxembourg.

The Company has not disclosed transactions with fellow wholly owned subsidiaries in accordance with the exemption under the terms of FRS 101 as the ultimate parent company produces publicly available financial statements. The financial statements, in the current year are both the smallest and largest group to consolidate these financial statements. Copies of 2020 Sigma Luxco S.à r.l.'s financial statements can be publicly obtained from the above registered address.

19 Post balance sheet events

On 29th July 2021, Upfield Bulgaria EOOD, a directly held subsidiary was liquidated. The investment in the subsidiary was fully impaired during 2019. There have been no other post balance sheet events that are necessary for the directors to report on.