

Registration number: 09521994

## **Upfield Foods UK Limited**

### **Annual Report and Financial Statements**

For the year ended 31 December 2022

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## **Upfield Foods UK Limited**

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**Upfield Foods UK Limited**

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**Company Information**

<b>Directors</b>	A S E Forsman C T W Purkiss
<b>Company secretary</b>	A W Barratt
<b>Registration number</b>	09521994
<b>Registered office</b>	14-21 Rushworth Street London England SE1 0RB
<b>Independent auditor</b>	Deloitte LLP 1 City Square Leeds LS1 2AL

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## **Upfield Foods UK Limited**

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### **Strategic Report for the year ended 31 December 2022**

The directors present their Strategic Report for Upfield Foods UK Limited (the "Company") for the year ended 31 December 2022.

#### **Business review**

During the reporting period 2022, the Company conducted its regular business amidst challenging external factors. The Russia-Ukraine conflict and recovery from the COVID-19 pandemic has resulted in rising commodity inflation and cost of living pressures. The Company was able to mitigate these pressures by increasing prices, offsetting volume decline.

Whilst turnover increased in line with the increase in cost of sales of 19%, the resulting operating profit increased by 9%. This was due a year-on-year increase in administrative expenses, driven by an increase in advertising spend, costs associated with a new head office, and one-off restructuring costs.

The profit for the year, after taxation, is £11,988,000 (2021: £11,318,000).

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, physical risks, legislative, fiscal and regulatory conditions. Going concern risks are addressed in the Directors' Report in more detail.

As part of the wider Upfield group of companies, the Company is subject to policies as set out by Sigma Topco B.V to properly monitor and control risk. Details of how it is managed in the context of the group is provided in the consolidated financial statements of Sigma Topco B.V for the year ended 31 December 2022.

#### **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.

#### **Statement by the directors in performance of their statutory duties in accordance with s172(1) of Companies Act 2006**

Upfield Foods UK Limited (the "Company") is a wholly owned subsidiary of Upfield Group B.V., headquartered in the Netherlands. The Upfield Group manufactures and sells products worldwide and employs over 4,800 people. We are the number 1 producer of plant-based spreads globally and other plant-based consumer products, with power brands Flora, Becel/ProActiv, Rama, Country Crock, BlueBand and Violife. As part of the wider Upfield group of companies, the Company is subject to the policies as set out by its parent Upfield Group B.V. The Company's policies and practices are therefore integrated from across the Upfield Group. The board of Upfield Group B.V. meets regularly to conduct its affairs and its practices take into account, among other things, the business priorities of the wider Upfield Group.

The board of the Company therefore recognises the importance of its wider stakeholders and in delivering the Upfield Group strategy and business sustainability. The board of the Company, whilst delivering Upfield Group strategy, is conscientious about its responsibilities and duties to its stakeholders under section 172 of the Companies Act 2006.

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**Upfield Foods UK Limited**

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**Strategic Report (continued)  
for the year ended 31 December 2022**

**Statement by the directors in performance of their statutory duties in accordance with s172(1) of Companies Act 2006 (continued)**

Details of how the board have had regard to the matters set out in s172(1) are given below:

a) *the likely consequences of any decision in the long term;*

The board acts and are subject to policies set out by its parent company.

b) *the interests of the Company's employees;*

We want the Company to be a great place to work, where employees are empowered to make decisions and can develop their skills and capabilities to serve our customers' needs.

Our values are Performance, Passion and Care and our purpose fuels our performance. We have big ambitions, and our Upfielders have ambitions to match. They love what they do, thrive on responsibility and are looking for career-defining opportunities. When we hire, we are looking for all ages, all faces, all tastes, and a love for all things plant-based: we seek people who can demonstrate our core values of passion, care and performance and want a culture where they can contribute to our vision of creating a better, plant-based future.

c) *the need to foster the Company's business relationships with suppliers, customers and others;*

We continue to focus on providing customers with quality products at competitive prices. Despite global inflation, our plant-based spreads and plant-based alternative to butter products are designed to help create delicious, natural and high performing foods and provide value for customers.

Whether consumers are looking for a product to help lower their cholesterol, or the nutrients to support a growing family, or the best product for baking, our products strive to be better than dairy, particularly on levels of trans-fats and saturated fats.

We continue to strengthen the partnerships we have with our suppliers to deliver great quality products to our customers, at great value.

Across the wider groups' supply chains we are connected to thousands of farmers who grow our ingredients and chefs who create and prepare millions of meals every day. In support of farmers in 2022 we have maintained several partnerships and programmes covering key crops including soybeans, palm oil, canola, shea and peanuts, focusing on good agricultural practices to support the livelihoods of farmers and their families.

From a global stage at the World Chef Congress to the recipe-tasting and trials with retailers, restaurateurs and food service professionals, we support chefs across our markets to help consumers make more plant-based choices.

d) *the impact of the Company's operations in the community and the environment;*

Our products, services and people are beneficial to the communities in which we operate. Our place at the heart of our communities also makes it important that our business practices are ethical and transparent.

This year we also launched our volunteering programme, giving all Upfielders 1 day per year paid leave for Personal Volunteering and 1 day per year paid leave for Upfield Volunteering as part of the group's commitment to enable 15,000-hours of volunteering within our communities each year.

Our products, supply chain and operations all have an impact on the environment. We believe that, as a general matter, our policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage, and of resulting financial liability, in connection with our business.

Our Better Planet commitments include our environmental targets to address our material environmental impacts on the climate, on packaging and on responsible sourcing. In 2022, we continued to make progress on these targets.

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**Upfield Foods UK Limited**

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**Strategic Report (continued)  
for the year ended 31 December 2022**

**Statement by the directors in performance of their statutory duties in accordance with s172(1) of Companies Act 2006 (continued)**

- e) *the desirability of the Company maintaining a reputation for high standards of business conduct;*  
At Upfield we are committed to upholding the highest standards of conduct across our business. We believe it's the right thing to do; this commitment holds us accountable and creates a more sustainable business for the long term that we can all be proud of. We shall similarly respect the genuine interests of those with whom we have relationships.

Through the actions outlined above the Company acted fairly between members of the Company.

Approved by the Board of directors on 30 June 2023 and signed on its behalf by:

*Chris Purkiss*

.....  
C T W Purkiss  
Director

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## **Upfield Foods UK Limited**

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### **Directors' Report for the year ended 31 December 2022**

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of the Company consists of the sale of consumer products made by Upfield Europe B.V. The Company's net turnover derives mainly from its retail business, but it also operates a professional foods service business.

Upfield Foods UK Limited is part of the global Upfield group that is the leading producer of plant-based spreads in the world. Upfield products are sold in 95 countries with the most well-known brands in the UK being Flora, Bertolli, I can't believe it's not Butter, Elmlea and Violife.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £11,988,000 (2021: £11,318,000), details of which have been included in the Strategic report on page 2.

The dividends paid during the year and, to the date of signing amounted to £nil (2021: £nil).

#### **Directors of the Company**

The directors who held office during the year, and up to the date of signing the financial statements (except as noted) are as follows:

D S Guha (resigned 17 March 2022)  
T J Morley (resigned 11 May 2022)  
A S E Forsman (appointed 17 March 2022)  
P A Tichbon (appointed 11 May 2022 and resigned 25 January 2023)  
C T W Purkiss (appointed 19 October 2022)

#### **Directors' indemnities**

Pursuant to the Company's articles of association, the directors were throughout the financial year ended 31 December 2022 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006.

#### **Employee engagement**

The Company keeps employees fully informed of the Company's strategies and their impact on the performance of the Company and the Group and encourages employee participation. Briefing meetings are held for each division to give information on the Company matters and provide an opportunity for discussion. E-mail bulletins are circulated regularly to all employees to ensure a common awareness of financial and economic factors that affect the performance of the Company.

Annual employee engagement surveys are undertaken allowing employees to feedback to management which help shape future briefings and communication.

#### **Political and charitable donations**

The Company made no donations or incurred any political and charitable expenditure during the year (2021: £nil).

#### **Future developments**

The Company expects to maintain its position as the leading plant-based spreads company in the UK. We expect net sales to grow moderately, and profitability to stay at the same margin. The Company continues to operate as a going concern. The Company is in a net asset position and expects to remain so for the foreseeable future.

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## **Upfield Foods UK Limited**

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### **Directors' Report (continued) for the year ended 31 December 2022**

#### **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 the Sigma Topco B.V.

##### ***Credit risk***

Credit risk arises from exposures to customers. The creditworthiness of customers granted credit terms in the normal course of business is monitored continually.

The terms and conditions of credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer. Sales are not materially dependent on a single customer or a small group of customers.

##### ***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**

The Company has net current assets of £96,351,000 (2021: £85,458,000) as at the Balance Sheet date. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe, but plausible downsides, the Company will have sufficient funds, through funding from its intermediate parent company, Upfield Group B.V. to meet its liabilities as they fall due for that period.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support from European parent, Upfield Group B.V. The directors have received a letter of support that confirms Upfield Group B.V intends to support the Company for at least 12 months after these financial statements are signed.

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

#### **Post balance sheet events**

There have been no post balance sheet events that are necessary for the directors to report on.



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**Upfield Foods UK Limited**


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**Directors' Report (continued)**  
**for the year ended 31 December 2022**
**Carbon Reporting**

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

The Company's SECR disclosure presents its carbon footprint across Scope 2 emissions, together with an appropriate intensity metric. The carbon dioxide emissions that are reported result from energy use in our head office building.

**GHG EMISSIONS AND ENERGY DATA**

	2022	2021
<b>Energy consumption to calculate emissions (kWh)</b>		
Electricity	66,680	65,819
<b>Emissions (tCO<sub>2</sub>e)</b>		
Electricity market-based method	15,546	15,345
<i>Total gross emissions tCO<sub>2</sub>e based on above</i>	15,546	15,345
Turnover during the year (£000)	227,938	191,474
<b>Intensity ratios</b>		
tCO <sub>2</sub> e (tCO <sub>2</sub> e/ Turnover in thousand)	0.07	0.08
tCO <sub>2</sub> e per m <sup>2</sup> of floorspace	103	101

**Methodology**

The methodology used to calculate emissions for the Company is the World Business Council for Sustainable Development/World Resources Institute Greenhouse Gas Protocol: a corporate accounting standard: revised edition in conjunction with UK Government environmental reporting guidelines for SECR, March 2019. Emissions have been calculated using 2020 UK Government GHG emissions conversion factors for company reporting.

**Energy efficiency actions during 2021 and 2022**

During 2022, the Company moved into a new head office which utilises smart technology to optimise building environment and operation. The building has a BREEAM 'Outstanding' rating and an EPC 'A' rating.

During 2021, the Company took minimal energy efficiency actions due to the working environment during the COVID-19 pandemic.

**Disclosure of information to the auditor**

The directors who held office at the date of approval of this Directors' Report confirm that:

so far as they are aware,

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

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**Upfield Foods UK Limited**

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**Directors' Report (continued)  
for the year ended 31 December 2022**

**Auditor**

Pursuant to Section 485 of the Companies Act 2006, Deloitte LLP will be appointed as the auditor at the next annual general meeting.

Approved by the Board of directors on 30 June 2023 and signed on its behalf by:

*Chris Purkiss*

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C T W Purkiss  
Director  
14-21 Rushworth Street,  
London,  
England  
SE1 0RB

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**Upfield Foods UK Limited**

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

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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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 *'Reduced Disclosure Framework'*.

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

- select suitable accounting policies and apply them consistently;
- make judgements 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**Upfield Foods UK Limited**

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

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**Report on the audit of financial statements****Opinion**

In our opinion the financial statements of Upfield Foods UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

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.

**Conclusion relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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**Upfield Foods UK Limited**

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**Independent Auditor's Report to the Members of Upfield Foods UK Limited (continued)**

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**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.

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](http://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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

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**Upfield Foods UK Limited**

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**Independent Auditor's Report to the Members of Upfield Foods UK Limited (continued)****Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory framework 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, pensions legislation, 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 including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Completeness of deductions to revenue for commercial accruals. We have performed recalculations of a sample of amounts accrued based on sales and volume data to check that the retrospective deductions have been made. A further review post year-end has been made to check that an accrual was in place post year-end for any debit notes raised where required. We also selected a sample of payments made during the year to ensure this is appropriately accounted for within the year-end accrual balance. We have also assessed the design and implementation of the key controls surrounding this process.

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 and in-house legal counsel 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.

**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.

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**Upfield Foods UK Limited**

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**Independent Auditor's Report to the Members of Upfield Foods UK Limited (continued)**

**Report on other legal and regulatory requirements (continued)**

**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.



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Mark Lewis FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor  
Leeds, UK

Date: 30 June 2023

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**Upfield Foods UK Limited**


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**Statement of Comprehensive Income  
for the year ended 31 December 2022**

	<i>Note</i>	<i>2022 £000</i>	<i>2021 £000</i>
Turnover	4	227,938	191,474
Cost of sales		(203,875)	(171,587)
<b>Gross profit</b>		<b>24,063</b>	<b>19,887</b>
Administrative expenses		(16,730)	(13,186)
<b>Operating profit</b>	5	<b>7,333</b>	<b>6,701</b>
Interest receivable and similar income	9	3,796	2,183
Interest payable and similar expenses	10	(649)	(125)
Other income	11	115	251
<b>Profit before tax from continuing operations</b>		<b>10,595</b>	<b>9,010</b>
Tax credit on profit from continuing operations	12	1,393	2,308
<b>Profit for the financial year</b>		<b>11,988</b>	<b>11,318</b>

The above results were derived from continuing operations.

There were no recognised gains or losses for the financial year other than those included in the Statement of comprehensive income.

The notes on pages 17 to 33 form an integral part of these financial statements.



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**Upfield Foods UK Limited**


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

	<i>Note</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<b>Fixed assets</b>			
Goodwill	13	35,831	35,831
Tangible assets	14	6,279	298
		<hr/>	<hr/>
		42,110	36,129
<b>Current assets</b>			
Cash at bank and in hand		20	3
Debtors	15	152,454	133,406
		<hr/>	<hr/>
		152,474	133,409
<b>Creditors: amounts falling due within one year</b>	16	(56,123)	(47,951)
		<hr/>	<hr/>
<b>Net current assets</b>		96,351	85,458
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		138,461	121,587
Creditors: amounts falling due more than one year	17	(5,008)	-
<b>Provisions for liabilities</b>	19	(1,105)	(1,227)
		<hr/>	<hr/>
<b>Net assets</b>		132,348	120,360
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	20	-	-
Share premium reserve	21	49,868	49,868
Profit and loss account	21	82,480	70,492
		<hr/>	<hr/>
<b>Total equity</b>		132,348	120,360
		<hr/>	<hr/>

The financial statements were approved by the Board of directors on 30th June 2023 were signed on its behalf by:

*Chris Purkiss*  
 .....  
 C T W Purkiss  
 Director

Registration number: 09521994

The notes on pages 17 to 33 form an integral part of these financial statements.

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**Upfield Foods UK Limited**


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**Statement of Changes in Equity  
for the year ended 31 December 2022**

	<i>Share capital</i> <i>£000</i>	<i>Share premium reserve</i> <i>£000</i>	<i>Profit and loss account</i> <i>£000</i>	<i>Total equity</i> <i>£000</i>
<b>At 1 January 2021</b>	-	49,868	59,174	109,042
Profit and total comprehensive income for the year	-	-	11,318	11,318
<b>At 31 December 2021 and 1 January 2022</b>	-	49,868	70,492	120,360
Profit and total comprehensive income for the year	-	-	11,988	11,988
<b>At 31 December 2022</b>	-	49,868	82,480	132,348

The notes on pages 17 to 33 form an integral part of these financial statements.

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## Upfield Foods UK Limited

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### Notes to the financial statements for the year ended 31 December 2022

#### 1. General information

Upfield Foods UK Limited ("the Company") is a private company limited by share capital, incorporated, domiciled and registered in England, UK under Companies Act 2006. The registered number is 09521994 and the registered address is 14-21 Rushworth Street, London, England, SE1 0RB. The principal activity can be found in the Directors' Report on page 5.

#### 2. Accounting policies

##### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Upfield Spreads UK Limited is the immediate parent company of Upfield Foods UK Limited. Upfield Group consists of all the subsidiaries of Sigma Topco B.V. including Upfield B.V. and its subsidiaries.

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

The ultimate parent of the Company is Sigma Luxco S.a.r.l. which is exempt from preparing consolidated financial statements. The results of the immediate subsidiary of the ultimate parent, Sigma Topco B.V. ("an intermediate parent Company") are prepared under the International Financial Reporting Standards (IFRS) and will be filed in the Netherlands. The copies of the financials are publicly available from the address provided in note 24.

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.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

##### Measurement convention

The financial statements are prepared on the historical cost basis. Financial assets are classified, at initial recognition, and subsequently measured at amortised 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.

##### Going concern

The Company has net current assets of £96,351,000 (2021: £85,458,000) as at the Balance Sheet date. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe, but plausible downsides, the Company will have sufficient funds, through funding from its intermediate parent company, Upfield Group B.V. to meet its liabilities as they fall due for that period.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support from European parent, Upfield Group B.V. The directors have received a letter of support that confirms Upfield Group B.V. intends to support the Company for at least 12 months after these financial statements are signed.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**2. Accounting policies (continued)**

**Going concern (continued)**

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

**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:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital managements;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of compensation of Key Management Personnel.
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

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
- Certain disclosures required by IFRS 13 *Fair value measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The following principal accounting policies have been applied consistently throughout the year:

**Goodwill**

Goodwill arises on the acquisition of subsidiaries, and it represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the Statement of Comprehensive Income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**2. Accounting policies (continued)**

**Goodwill (continued)**

Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

**Tangible assets**

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged to the Statement of comprehensive income so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Leasehold buildings: 14 years  
IT Equipment: 4 years  
Right-of-use assets: 10 years  
Furniture and fittings: 3 years

Depreciation on assets in the course of construction only begins after completion.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Finance costs incurred in relation to the purchase of tangible assets are not capitalised. Fixed assets will be reviewed for impairment only if there is some indication that impairment has occurred. Impairment losses are recognised in the Statement of comprehensive income included within operating profit under the appropriate statutory heading and disclosed as an exceptional item if appropriate. The reversal of past impairment losses is recognised when the recoverable amount of a tangible asset has increased because of a change in economic conditions or in the expected use of the asset.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**2. Accounting policies (continued)**

**Leases**

*The Company as a lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Tangible assets' policy.

**Debtors**

Debtors are amounts due from group and non group undertakings for services performed in the ordinary course of business and other receivables.

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Inventories**

Inventories, and engineering consumables (spare parts for manufacturing assets), are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is determined on an average basis.

Provisions are made for slow moving and obsolete inventories as appropriate. The impairment loss is recognised immediately in the Statement of comprehensive income.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**2. Accounting policies (continued)**

**Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and initially recognised at fair value. If payment is expected in one year or less, they are classified as due within one year. If not, they are presented as due after more than one year.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors include both third party suppliers and amounts owed to group under takings (intercompany creditors).

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**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 Statement of comprehensive income.

**Turnover**

IFRS 15 - Revenue from Contracts with Customers, has been applied in preparing these financial statements.

Turnover comprises sales of goods after the deduction of discounts and sales taxes. Discounts given by the Company includes rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs.

All turnover is revenue from contracts with customers. The Company's contracts with customers for the sale of products include one performance obligation. Turnover is recognised at the point in time when control of the underlying products has been substantially transferred to the customer which is dependent on individual customer terms i.e. either at dispatch or delivery.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**2. Accounting policies (continued)**

**Interest income and expense**

Interest income and expense are recognised in the Statement of comprehensive income using the effective interest method.

**Taxes**

Income tax for the period comprises current and deferred tax.

*Income tax*

Income 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.

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. Current tax assets and liabilities are offset if there is a legally enforceable right to set off the recognised amounts and if the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Tax legislation is often complex and is subject to interpretation by management and the government authorities. These matters of judgement give rise to the need recognise provisions for tax payments that may arise in future years. Provisions are recognised against individual exposures and consider the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice. Provisions are recognised where appropriate on the basis of amounts to be paid to the tax authorities.

*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).

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- 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.



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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)****2. Accounting policies (continued)****Cash and cash equivalents**

Cash and cash equivalents include deposits and short-term deposits at bank. To be classified as cash and cash equivalents, an asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

**Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest costs in the income statement. This category generally applies to interest bearing borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**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.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

**3. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

There are no judgements and estimates that have a significant effect on amounts recognised in the financial statements.

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**4. Analysis of turnover**

Turnover comprises the invoiced value of the sales of goods and services after deduction of discounts and sales taxes. Turnover is recognised when the risks and rewards of the underlying products have been substantially transferred from the Company to the customer. There are no contract assets or liabilities outstanding at the end of the year (2021: £nil). All amounts due from customers are included in Debtors (note 15).

The Company is engaged in the sale of consumer products and in the opinion of the directors, does not carry on classes of business substantially different from each other. The trade receivable balance for the year ended amounted to £38,332,000 (2021: £23,676,000).

	2022 £000	2021 £000
Turnover	227,159	190,760
Royalties	779	714
	<u>227,938</u>	<u>191,474</u>

All turnover relates to the UK.

**5. Operating profit**

The operating profit is stated after debiting/(crediting):

		2022 £000	2021 £000
	<i>Note</i>		
Depreciation of tangible assets	14	109	65
Depreciation on right-of-use assets	14	539	-
Defined contribution scheme employer contributions		246	435
Rental expense		97	122
		<u>991</u>	<u>622</u>

**6. Auditor's remuneration**

Fees payable to the auditor, amounted to €62,000 (2021: €178,000), which when translated at the spot rate at 31 December 2022 amounted to £54,000 (2021: £150,000), for the audit of the financial statements.

There were no non-audit services provided by the Company's auditor.

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**7. Employee information**

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

	<i>2022</i>	<i>2021</i>
	<i>No.</i>	<i>No.</i>
Administration	70	81

Staff costs (including directors' remuneration) were as follows:

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	5,581	6,253
Social security costs	699	713
Cost of defined contribution scheme	246	435
Apprenticeship levy notional value	17	21
Share based payment	31	-
	<u>6,574</u>	<u>7,422</u>

The Company operates a defined contribution pension scheme. The pension cost charged for the year represents contributions payable by the Company to the scheme and amounted to £246,000 (2021: £435,000).

Contributions totalling £nil (2021: £nil) were payable to the scheme at the end of the year.

**8. Directors' remuneration**

Two of the directors who served during the year are remunerated by the Company and details of their emoluments are provided below. The remainder of the directors of the Company were employed by the other Upfield Group companies and their services to the Company during the year were insignificant.

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Aggregate emoluments	714	686

The highest paid director received remuneration of £464,000 (2021: £544,000).

**9. Interest receivable and similar income**

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Group interest receivable	3,796	2,183

Amounts owed by group undertakings are interest bearing, unsecured and payable on demand.

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**10. Interest payable and similar expenses**

		<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
	<i>Note</i>		
Group interest payable		443	125
Interest on lease liabilities	22	206	-
		<u>649</u>	<u>125</u>

**11. Other income**

	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
Miscellaneous income	<u>115</u>	<u>251</u>

**12. Tax credit on profit from continuing operations**

The taxation credit is made up as follows:

	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<b><i>UK corporation tax</i></b>		
Current tax on income for the year	214	494
Adjustments in respect of prior periods	(1,959)	(2,516)
Total current tax	<u>(1,745)</u>	<u>(2,022)</u>
<b><i>Deferred tax</i></b>		
Current year	407	484
Adjustments in respect of prior periods	(183)	-
Arising from changes in tax rates and laws	128	(770)
Total deferred tax	<u>352</u>	<u>(286)</u>
Tax credit on profit	<u>(1,393)</u>	<u>(2,308)</u>

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**12. Tax credit on profit from continuing operations (continued)**

The current tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%)

The differences are explained below:

	2022 £000	2021 £000
Profit before tax	10,595	9,010
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	2,013	1,712
<b>Effects of:</b>		
Reduction in tax rate on deferred tax balances	128	(770)
Adjustments in respect of prior periods	(2,142)	(2,516)
Effects of group relief/other relief	(1,455)	(734)
Expenses not deductible	63	-
<b>Total tax credit</b>	<b>(1,393)</b>	<b>(2,308)</b>

**Factors that may affect future tax charges**

In the Budget 2021, the government announced that the rate of Corporation Tax will increase to 25% from 1 April 2023 for businesses with profits of £250,000 or more. The rate will remain at 19% until that date. This new law was substantively enacted in May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**Deferred taxation**

The amount of deferred tax recognised at 31 December 2022 was £2,857,000 (2021: £3,209,000).

**13. Goodwill**

	<i>Goodwill</i> £000
<b>Cost</b>	
At 1 January 2022	35,831
At 31 December 2022	35,831
<b>Net book value</b>	
At 31 December 2022	35,831
At 31 December 2021	35,831

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**13. Goodwill (continued)**

Goodwill arose upon incorporation of the Company, as a result of the transfer of the Baking Cooking and Spreads Business (BCS) from Unilever UK Limited to the Company. A comprehensive goodwill impairment review has been undertaken in the year and no impairment charge has been recorded.

Disclosure of the method and key assumptions used to determine the recoverable amounts is also needed as follows:

Goodwill has been allocated against a single cash generating unit being Upfield Foods UK Limited. The recoverable amount of the cash generating unit has been calculated with reference to its value in use by calculating a present value of future cash flows in 'nominal' terms'.

The key assumptions of this calculation are shown below:

- Period on which management approved forecasts: 3 years
- Discount factor: 6.9%
- Growth factors considered in a range of +0.0% to +2.0%. The growth rate range relates to the expected growth in net sales in the forecast period.
- Margin is 3.3% based on the Upfield Group transfer pricing model.

**14. Tangible assets**

	<i>Leasehold buildings £000</i>	<i>IT Equipment £000</i>	<i>Right-of-use asset £000</i>	<i>Furniture and fittings £000</i>	<i>Total £000</i>
<b>Cost</b>					
At 1 January 2022	213	219	-	13	445
Additions	1,241	-	5,388	-	6,629
At 31 December 2022	1,454	219	5,388	13	7,074
<b>Accumulated depreciation</b>					
At 1 January 2022	34	104	-	9	147
Charge for the year	59	46	539	4	648
At 31 December 2022	93	150	539	13	795
<b>Net book value</b>					
At 31 December 2022	1,361	69	4,849	-	6,279
At 31 December 2021	179	115	-	4	298

The right-of-use assets includes office building. The average lease term is 10 years.

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**15. Debtors**

		2022 £000	2021 £000
<i>Amounts falling due after more than one year</i>	<i>Note</i>		
Deferred taxation	18	2,857	3,209
<i>Amounts falling due within one year</i>			
Trade receivables		38,332	23,676
Amounts owed by group undertakings		107,523	104,687
Other debtors		1,075	853
Prepayments and accrued income		483	981
Corporation tax debtor		2,184	-
Total debtors		<u>152,454</u>	<u>133,406</u>

The fair values of above figures are not considered to be significantly different from their carrying values.

Amounts owed by group undertakings classified within "Debtors: amounts falling due within one year" are unsecured, interest free and repayable on demand.

**16. Creditors: amounts falling due within one year**

		2022 £000	2021 £000
	<i>Note</i>		
Trade creditors		3,156	2,021
Amounts owed to group undertakings		40,481	37,001
Corporation tax		161	1,899
Other taxation and social security		432	563
Other creditors		798	716
Accruals and deferred income		10,569	5,751
Current portion of long term lease liabilities	22	526	-
		<u>56,123</u>	<u>47,951</u>

The fair values of above figures are not considered to be significantly different from their carrying values.

Amounts owed to group undertakings include balances to Upfield Europe B.V. which are non-interest bearing, unsecured and payable on demand.

**17. Creditors: amounts falling due more than one year**

		2022 £000	2021 £000
	<i>Note</i>		
Lease liabilities	22	<u>5,008</u>	<u>-</u>

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**18. Deferred tax asset and liabilities**

	<i>£000</i>
At 1 January 2022	3,209
Credited to profit and loss account	(535)
Charged to adjustments in respect of prior periods	183
	<hr/>
At 31 December 2022	<u>2,857</u>

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	<i>Assets 2022 £000</i>	<i>Assets 2021 £000</i>	<i>Liabilities 2022 £000</i>	<i>Liabilities 2021 £000</i>	<i>Net 2022 £000</i>	<i>Net 2021 £000</i>
Tangible assets	2,857	3,392	-	-	2,857	3,392
Provisions	-	-	-	(183)	-	(183)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred tax asset	<u>2,857</u>	<u>3,392</u>	<u>-</u>	<u>(183)</u>	<u>2,857</u>	<u>3,209</u>

Movement in deferred tax during the year:

	<i>1 Jan 2022 £000</i>	<i>Charged to profit and loss account £000</i>	<i>Prior year adjustment £000</i>	<i>31 Dec 2022 £000</i>
Tangible assets	3,392	(535)	-	2,857
Provisions	(183)	-	183	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred tax asset	<u>3,209</u>	<u>(535)</u>	<u>183</u>	<u>2,857</u>



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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**18. Deferred tax asset and liabilities (continued)**

Movement in deferred tax during the prior year:

	<i>1 Jan 2021</i>	<i>Recognised in income</i>	<i>31 Dec 2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Employee benefits - pension	1	(1)	-
Tangible assets	3,061	331	3,392
Provisions	(139)	(44)	(183)
Total deferred tax asset	<u>2,923</u>	<u>286</u>	<u>3,209</u>

**19. Provisions for liabilities and other charges**

	<i>Restructuring provisions</i>	<i>Others</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2022	843	384	1,227
Utilisation	(122)	-	(122)
At 31 December 2022	<u>721</u>	<u>384</u>	<u>1,105</u>

Provisions consist of two elements:

**Restructuring**

The Company has constructive obligations in respect of redundancy and other costs relating principally to restructuring its operations on an ongoing basis. The amounts of the provision is based on calculations of the cost of redundancies for notified individuals at the balance sheet date.

The restructuring provision is expected to be utilised during 2023.

**Other**

Other provisions relate to ongoing legal and contractual obligations and has constructive obligations in respect to long term service awards and the provision will be utilised when the payments are made in the future.

**20. Share capital**

	<i>2022</i>	<i>2021</i>
	<i>£</i>	<i>£</i>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

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**Upfield Foods UK Limited**


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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**
**21. Reserves**
**Share premium reserve**

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

**22. Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the year ended 31 December 2022:

	2022 £000	2021 £000
At 1 January	-	1,260
Additions	5,388	-
Disposal	-	-
Effect from discounting at the incremental borrowing rate of 3.8%	206	-
Lease payments for the period	(60)	(1,260)
	<hr/> 5,534	<hr/> -
At 31 December	<hr/> 5,534	<hr/> -
<b>Of which:</b>		
Current portion of long term lease liabilities	526	-
Long term lease liabilities	5,008	-
	<hr/> 5,534	<hr/> -
	<hr/> <hr/> 5,534	<hr/> <hr/> -
	2022 £000	2021 £000
<b>Maturity analysis</b>		
Within 1 year	721	-
Within 2 to 5 years	5,773	-
	<hr/> 6,494	<hr/> -
Effect from discounting at the incremental borrowing rate of 3.8%	(960)	-
	<hr/> 5,534	<hr/> -
At 31 December	<hr/> <hr/> 5,534	<hr/> <hr/> -

**23. Related party disclosures**

The Company has taken advantage of the exemption in FRS 101 under paragraph 8(k) 'Related party disclosures', to not disclose related party transactions entered into between two or more members of Upfield group. There are no other related party transactions entered into by the Company.

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**Upfield Foods UK Limited**

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**Notes to the financial statements  
for the year ended 31 December 2022 (continued)**

**24. Controlling party**

The Company is a wholly owned subsidiary of Upfield Spreads UK Limited (previously named Unilever BCS Limited.), a UK registered company.

The ultimate parent of the Company is Sigma Luxco S.a.r.L. which is exempted to prepare consolidated financial statements in the current year. The results of the immediate subsidiary of the ultimate parent, Sigma Topco B.V. ("an intermediate parent company") are prepared and includes the results of the Company. The copies of these financial statements can be publicly obtained from Sigma Topco B.V.'s registered address - Beethovenstraat 551 – 7th Floor 1083 HK Amsterdam, The Netherlands.

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 2022 Sigma Topco B.V.'s financial statements can be publicly obtained from their registered address - Beethovenstraat 551 – 7th Floor 1083 HK Amsterdam, The Netherlands.

**25. Post balance sheet events**

There have been no post balance sheet events that are necessary for the directors to report on.