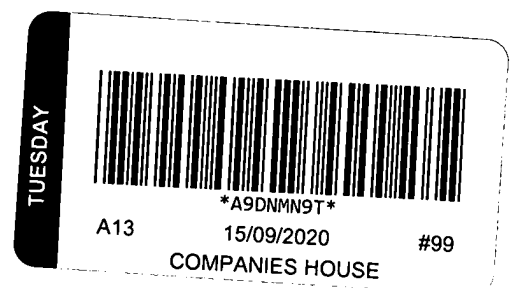


Registered number: 07968310

TERRAFERTIL UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2019



TERRAFERTIL UK LIMITED

COMPANY INFORMATION

Directors	David Bermeo (resigned 1 March 2020) Tom Benton Matthieu Albert Weber (appointed 1 March 2020)
Registered number	07968310
Registered office	2 Eastbourne Terrace London W2 6LG
Independent auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

TERRAFERTIL UK LIMITED

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TERRAFERTIL UK LIMITED

STRATEGIC REPORT For the Year Ended 31 December 2019

Introduction

The directors present the Strategic Report for the year ended 31 December 2019.

Business review

The performance achieved during the period is set out in the Statement of Comprehensive Income on page 7. The results of the company show a pre-tax loss of £978,361 (2018: £717,378) for the year and turnover increased year on year by 2% to £5,230,043 (2018: £5,127,892).

The 2019 results include net costs of disposed unusable stock and packaging material arising from a change in branding and portfolio strategy of the business of £272,545 (2018: £55,184). Unusable stock costs were allocated to administrative expenses.

The company has net liabilities at 31 December 2019 of £1,171,840 (2018: £186,478).

Principal risks and uncertainties

The management of the business of the company and the execution of its strategy are subject to several risks and uncertainties, including a difficult economic environment, a strong competitive environment, currency fluctuations, further trade consolidation, product innovation and volatility in input costs.

During this unprecedented time of the COVID-19 pandemic, our purpose of enhancing quality of life and contributing to a healthier future is now more important than ever. From our supply chain, to our factories, and right through to your homes, we're working around the clock to ensure that we continue to meet the nutritional needs of your families during this difficult time.

Impact of Covid-19

The COVID-19 (Coronavirus) public health emergency continues to evolve. Terrafertil UK has been monitoring the situation closely and received advice from several stakeholders in order to coordinate actions to safeguard employee health and initiate Business Continuity Plans. Despite this health emergency, at the signing date, the company continues to maintain a strong position and performance financially.

Impact of Brexit

In 2019 the focus of Terrafertil UK's Brexit work was on preparing for a potential "no deal" exit scenario. This included putting plans in place to build import and export stocks for a period around the expected exit dates (initially 29 March 2019 and then 12 April 2019, 31 October 2019 and finally 31 January 2020), as well as preparations for using alternative supply routes into the UK to avoid anticipated congestion at UK ports. This work has been coordinated by the Terrafertil UK leadership team, headed by the General Manager and involving all the key functions.

The UK having left the EU with a deal on 31 January 2020, the focus of the leadership team's work has now shifted to preparations for the end of the transition period on 31 December 2020. Again, uncertainty remains about the scenario the country will face at that point, so mitigation plans remain ready for activation should they be needed if the transition period ends without a free trade agreement with the EU in place.

TERRAFERTIL UK LIMITED

STRATEGIC REPORT (CONTINUED) **For the Year Ended 31 December 2019**

Key performance indicators

One of the key areas of focus for Terrafertil in 2019 from a financial perspective was the restructuring of debt from a short-term strategy to longer term, lower cost debt. The long-term debt ratio increased to 108% in 2019 (2018 44%) indicating a positive movement in line with the strategy. The current ratio increased in 2019 to 190% (2018 159%) indicating the business's ability to meet short-term obligations had also improved significantly in line with the strategy. The second key area for financial improvement in 2019 was inventory management. The inventory turnover ratio of 0.81 in 2019 indicates a significant improvement to prior years (2018 0.66). Efficiencies within the business allowed both inventory turnover risk to be reduced. Inventory value in 2019 was £879,570 (2018 £1,705,121).

Terrafertil UK will continue to focus on our core objectives in 2020 including; revenue growth in strategically important categories, margin control and growth in strategically important categories and endeavour to leverage the best from our external and internal stakeholders to continue to grow our brand whilst meeting the nutritional needs of families. As a business, it is important that Terrafertil UK continues to strive to help those most in need within the UK and wider international community in whichever way we can.

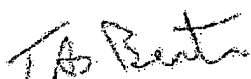
Environmental matters

The company seeks to develop business practices and behaviour that meet the highest standards of responsibility towards the environment. The company sees conservation and development as mutually reinforcing each other in pursuit of sustainable growth. The company seeks to go beyond mere compliance with the law, which it willingly embraces, to achieve, in particular, savings of energy and resources, and the reduction of waste and effluent in all its forms.

Future developments

The external environment is expected to remain competitive and challenging in 2020. Higher commodity prices and other costs will continue to put significant pressure on the company. The Terrafertil UK leadership team remains optimistic and continues to innovate to find new ways to meet the nutritional needs of families throughout the UK and wider international community.

This report was approved by the board on 13 August 2020 and signed on its behalf.



Tom Benton
Director

TERRAFERTIL UK LIMITED

DIRECTORS' REPORT For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

David Bermeo (resigned 1 March 2020)
Tom Benton

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

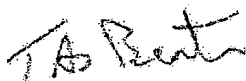
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

TERRAFERTIL UK LIMITED

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 December 2019

This report was approved by the board on 13 August 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'T Benton', is positioned above the printed name and title.

Tom Benton
Director

TERRAFERTIL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRAFERTIL UK LIMITED

Opinion

We have audited the financial statements of Terrafertil UK Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

TERRAFERTIL UK LIMITED

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

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

TERRAFERTIL UK LIMITED

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

Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Crowe U.K. LLP', is positioned above the printed name of the auditor.

Leo Malkin (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

8 September 2020

TERRAFERTIL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	5,230,043	5,127,892
Cost of sales		(4,205,649)	(3,859,685)
Gross profit		1,024,394	1,268,207
Administrative expenses		(1,892,154)	(1,917,467)
Operating loss	5	(867,760)	(649,260)
Interest receivable and similar income	8	503	26,978
Interest payable and expenses	9	(111,104)	(95,096)
Loss before tax		(978,361)	(717,378)
Tax on loss	10	147,098	-
Loss for the financial year		(831,263)	(717,378)

There was no other comprehensive income for 2019 (2018: £NIL).

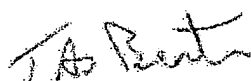
The notes on pages 11 to 20 form part of these financial statements.

TERRAFERTIL UK LIMITED
Registered number: 07968310

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	1,066	1,393
Current assets			
Stocks	12	879,570	1,705,121
Debtors: amounts falling due within one year	13	923,536	773,620
Cash at bank and in hand	14	254,237	188,962
		<u>2,057,342</u>	<u>2,667,703</u>
Creditors: amounts falling due within one year	15	(1,006,899)	(1,679,710)
Net current assets		<u>1,050,443</u>	987,993
Total assets less current liabilities		<u>1,051,509</u>	989,386
Creditors: amounts falling due after more than one year	16	(2,067,039)	(1,175,864)
Net liabilities		<u>(1,015,530)</u>	<u>(186,478)</u>
Capital and reserves			
Called up share capital	17	1,228,459	100
Share premium account		91,964	91,964
Funds received in advance of equity issue		-	1,226,148
Profit and loss account		(2,335,953)	(1,504,690)
		<u>(1,015,530)</u>	<u>(186,478)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 August 2020.



Tom Benton
Director

The notes on pages 11 to 20 form part of these financial statements.

TERRAFERTIL UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2019**

	Called up share capital £	Share premium account £	Other £	Profit and loss account £	Total equity £
At 1 January 2018	100	91,964	-	(787,312)	(695,248)
Loss for the year	-	-	-	(717,378)	(717,378)
Funds received in advance of equity share issue	-	-	1,226,148	-	1,226,148
At 1 January 2019	100	91,964	1,226,148	(1,504,690)	(186,478)
Loss for the year	-	-	-	(831,263)	(831,263)
Shares issued during the year	1,228,359	-	-	-	1,228,359
Transfer of funds received in advance of equity share issue	-	-	(1,226,148)	-	(1,226,148)
At 31 December 2019	1,228,459	91,964	-	(2,335,953)	(1,015,530)

The notes on pages 11 to 20 form part of these financial statements.

The other reserve balance at 31 December 2018 represents funds received in advance of an equity share issue (see note 19) and was released against the share issue in the year.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

1. General information

The company is a private company (limited by shares) and its principal activity during the year continued to be the sale of fruit and vegetable products. The company's principal place of business and its registered office is located at 2 Eastbourne Terrace, London W2 6LG, England, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Nestle S.A. as at 31 December 2019 and these financial statements may be obtained from Nestle.com.

2.3 Going concern

During the year ended 31 December 2019 the company incurred a loss of £987,573 (2018: £717,378) and had net current assets at that date of £894,133 (2018: £987,993).

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of ongoing financing facilities, ongoing commitment from its parent undertaking, Nestle UK Limited., and other mitigating actions that can be taken during that period.

The COVID-19 (Coronavirus) public health emergency continues to evolve. Terrafertil UK has been monitoring the situation closely and received advice from several stakeholders in order to coordinate actions to safeguard employee health and initiate Business Continuity Plans. Despite this health emergency, at the signing date, the company continues to maintain a strong position and performance financially.

The financial statements do not reflect any adjustments that would be necessary should the going concern basis not be appropriate.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

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

2.10 Creditors

Short term creditors are measured at transaction price. Non short term creditors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation, where applicable, for items relating to the valuation of stock and the carrying value of trade debtors.

4. Turnover

	2019 £	2018 £
United Kingdom	4,658,094	4,602,219
Rest of the world	571,949	525,673
	<u>5,230,043</u>	<u>5,127,892</u>

The company's turnover, loss before taxation and net liabilities are attributable to the company's principal activity.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Auditor's remuneration: audit fees	14,300	15,000
Auditor's remuneration: taxation and other fees	13,075	39,700
Operating lease rentals: land and buildings	74,921	49,625
Foreign exchange differences	(46,096)	(79,478)

TERRAFERTIL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	£	£
Wages and salaries	505,012	443,098
Social security costs	65,505	46,867
	<u>570,517</u>	<u>489,965</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Employees	<u>10</u>	<u>8</u>

7. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	<u>162,563</u>	<u>149,466</u>

8. Interest receivable

	2019	2018
	£	£
Other interest receivable	<u>503</u>	<u>26,978</u>

9. Interest payable and similar expenses

	2019	2018
	£	£
Other loan interest payable	<u>111,104</u>	<u>95,096</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	(130,122)	-
Adjustment in respect of previous periods	(16,976)	-
	<u>(147,098)</u>	<u>-</u>
Total current tax	<u>(147,098)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss before tax	<u>(978,361)</u>	<u>(717,378)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(185,889)	(136,302)
Effects of:		
Increase in tax losses carried forward	58,554	128,971
Other differences	(2,787)	7,331
Prior year adjustment	(16,976)	-
Total tax charge for the year	<u>(147,098)</u>	<u>-</u>

Factors that may affect future tax charges

At 31 December 2019 the company had trading tax losses carried forward of approximately £1,600,000 (2018: £1,400,000). No deferred tax asset has been recognised in respect of the losses carried forward as a result of the current uncertainty as to their utilisation.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019

11. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 January 2019	36,919	10,246	47,165
Additions	-	627	627
Disposals	(36,919)	(7,991)	(44,910)
At 31 December 2019	-	2,882	2,882
Depreciation			
At 1 January 2019	36,489	9,283	45,772
Charge for the year on owned assets	-	524	524
Disposals	(36,489)	(7,991)	(44,480)
At 31 December 2019	-	1,816	1,816
Net book value			
At 31 December 2019	-	1,066	1,066
At 31 December 2018	430	963	1,393

12. Stocks

	2019 £	2018 £
Finished goods and goods for resale	879,570	1,705,121

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019

13. Debtors

	2019 £	2018 £
Trade debtors	664,383	664,417
VAT	63,886	68,363
Corporation tax	167,806	14,012
Prepayments and accrued income	37,461	26,828
	<u>923,535</u>	<u>773,620</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	254,237	188,962
	<u>254,237</u>	<u>188,962</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	-	157,422
Trade creditors	613,630	828,626
Amounts owed to group undertakings	208,654	542,560
Other taxation and social security	22,382	14,580
Accruals and deferred income	162,233	136,522
	<u>1,006,899</u>	<u>1,679,710</u>

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	2,067,039	1,175,864
	<u>2,067,039</u>	<u>1,175,864</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,228,459 (2018 - 100) Ordinary shares of £1 each	1,228,459	100

On 23 March 2019, the company issued 1,225,359 ordinary shares at £1 to Terrafertil Gold Switzerland GmbH, these were settled by way of release of the funds received in advance of equity from the prior year.

Terrafertil Gold Switzerland GmbH subsequently sold its remaining share holding to Nestle UK Limited on the 30 September 2019. Details of control are provided in note 19.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

18. Related party transactions

Terrafertil S.A. ("TSA")

TSA is a fellow group undertaking, incorporated in Ecuador.

At 31 December 2019 the company owed TSA £67,555 (2018: £95,529) and purchased stock from TSA in the year then ended of £155,237 (2018: £658,993).

Terrafertil Colombia S.A.S. ("TC")

TC is a fellow group undertaking, incorporated in Colombia.

At 31 December 2019 TC owed the company £50,894 (2018: £432,671) and purchased stock from TC in the year then ended of £257,642 (2018: £445,121).

Terrafertil Mexico S.A.P.I. de C.V ("TM")

TM is a fellow group undertaking, incorporated in Mexico.

On 21 December 2018 the company received a loan of US\$1,494,633 from TM. The loan is repayable on 21 December 2021 and attracts interest at the 3 month LIBOR rate plus a 371 basis point margin.

On 13 March 2019 the company received a further loan of US\$1,065,000 from TM on the existing terms.

At 31 December 2019 the loan outstanding was included in creditors at an amount of £2,067,039 (2018: £1,175,864).

Nestle S.A. ("NSA")

NSA is a fellow group undertaking incorporated in Switzerland.

At 31 December 2019 the company owed NSA £90,205 (2018: £14,360) and was charged £75,845 (2018: £14,360) in respect of licence fees in the year then ended. Additionally, the company was recharged expenditure of £3,280 (2018: £Nil).

Nestle UK Limited ("NUK")

NUK is a fellow group undertaking incorporated in United Kingdom.

At 31 December 2019 the company was owed £29,430 by NUK (2018: £Nil) and made sales to NUK of £29,964 (2018: £Nil) during the period.

Unless otherwise specified above, all amounts owed to fellow group undertakings at 31 December 2019 attract no interest and have no fixed repayment date.

19. Ultimate parent undertaking

At 31 December 2019 the company's immediate parent was Nestle UK Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking was Nestle S.A., a company incorporated in Switzerland whose registered office is avenue Nestlé 55, 1800 Vevey, Switzerland.

Nestle S.A. is the smallest and largest group undertaking for which consolidated financial statements are prepared and publicly available. Nestle S.A.'s consolidated financial statements are available from nestle.com.