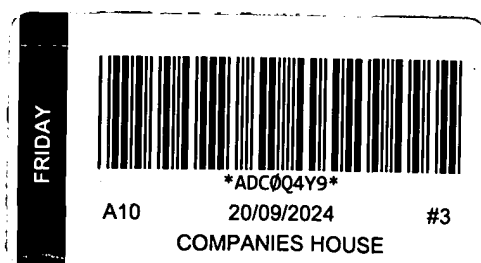


Registered number: 07968310

TERRAFERTIL UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2023



TERRAFERTIL UK LIMITED

COMPANY INFORMATION

Directors	Matthieu Albert Weber (resigned 31 January 2024) Tom Benton Katarzyna Choinska (appointed 1 March 2024)
Registered number	07968310
Registered office	Haxby Road York YO31 8TA
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

TERRAFERTIL UK LIMITED

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TERRAFERTIL UK LIMITED

STRATEGIC REPORT For the Year Ended 31 December 2023

Introduction

The directors present the Strategic Report for the year ended 31 December 2023.

Business review

The performance achieved during the period is set out in the Profit and Loss Account on page 9.

The results of the company show a pre-tax loss of £2,993,540 (2022 – £2,868,795 loss) for the year and a turnover decrease year on year of 11% to £3,280,736 (2022 – £3,706,250).

The Company has net liabilities of £8,878,046 (2022 – £6,584,440).

Principal risks and uncertainties

The management of the company and the execution of its strategy are subject to a number of risks and uncertainties, including a difficult economic environment, a strong competitive environment, currency fluctuations, product innovation, employee retention and volatility in input costs. The implications of the conflicts around the world for the company are highly uncertain and remain difficult to predict or quantify.

Increasing commodity costs and inflation were and will continue to be key challenges for the whole industry, and consumers will expect manufacturers and retailers to help manage these pressures. It is critical that we remain competitive and continue to win externally whilst balancing the impact of inflation, particularly in raw materials and logistic services.

The movement in the UK Bank of England interest rate is an area of risk over which the company has no control. This directly affects net interest expense in the company's income statement. It also indirectly affects many other areas of the business.

Key performance indicators

Total revenue for the Terrafertil UK business declined in 2023 due to portfolio changes as we restructured the portfolio for future growth. Moving into 2024 we are focusing on our core range and driving revenue and profit through focusing on our best performers.

Liquidity and financing

Nestlé UK Ltd, the parent company, had sufficient liquidity and access to committed credit facilities to meet all short-term financial obligations of the business and continued to provide finance to the company as required.

Future Developments

Terrafertil UK will continue to focus on its core objectives in 2024, including revenue growth and improving profitability. The company will endeavour to leverage the best from our external and internal stakeholders to grow, whilst meeting the nutritional needs of families throughout the UK. It is important that the company continues to strive to help those most in need within the UK and wider international community in whichever way we can.

TERRAFERTIL UK LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2023

Stakeholder Review

Under section 172 of the UK Companies Act 2006 ('Section 172') directors must act in the way that they consider, in good faith, would be most likely to promote the success of their company. In doing so, our directors must have regard to stakeholders and the other matters set out in Section 172. The following section is our Section 172 statement, which describes how the directors of this company have had regard to these matters when performing their duty.

The company has considered Sections 172(1) (a) to (f) listed below:

(a) the likely consequences of any decision in the long term

Terrafertil UK takes a long-term view and makes decisions in order to provide tasty plant based nutrition that makes a difference both now, and in the future. We have introduced new products and continue to innovate whilst maintaining high quality standards.

(b) the interests of the Company's employees

As a business, Terrafertil UK is guided by its values which are rooted in respect for ourselves, for each other, respect for diversity and respect for the future. Terrafertil UK is firmly committed to having a diverse workforce that is reflective of society and its consumer base, as well as having an open dialogue and collaborative approach with all our employees. We promote a speak up culture and we provide opportunities for employees to provide feedback on areas that they would like to see further development and improvement. Learning and development is integral to our employees' growth and this is reflected by our professional development standards.

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

In 2023 we continued our close partnerships with our key suppliers and customers.

(d) the impact of the Company's operations on the community and the environment

Terrafertil UK supplies products with 100% recyclable packaging and we continued to support communities in the UK through our partnership with FareShare (registered charity number 1100051).

(e) the desirability of the Company maintaining a reputation for high standards of business conduct

Terrafertil UK Ltd, as part of Nestlé S.A., prides itself on strong corporate business principles, which ensures that the company maintains standards in line with and above local regulations.

(f) the need to act fairly between members of the Company

We are a diverse business that does not tolerate racism, harassment, or discrimination of any kind.

This report was approved by the board on Wednesday 10th July 2024 and signed on its behalf.

Tom Benton

Tom Benton
Director

TERRAFERTIL UK LIMITED

DIRECTORS' REPORT For the Year Ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

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 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 to 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:

Matthieu Albert Weber (resigned 31 January 2024)
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 2023

This report was approved by the board on Wednesday 10th July 2024 and signed on its behalf.

Tom Benton

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 2023, 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 2023 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

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.

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.

TERRAFERTIL UK LIMITED

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

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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.

TERRAFERTIL UK LIMITED

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

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.

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 gained an understanding of the legal and regulatory framework applicable to the Company and Industry in which the company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and Taxation legislation.

Our procedures involved enquiries with management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, revenue recognition and the judgement surrounding the carrying value of stock and recoverability of debtors. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards and applicable law.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included by were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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, 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.



John Charlton (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 23 July 2024

TERRAFERTIL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2023

	Note	2023 £	2022 £
Turnover	4	3,280,736	3,706,250
Cost of sales		(2,818,303)	(3,463,887)
Gross profit		462,433	242,363
Administrative expenses		(2,840,138)	(2,845,032)
Operating loss	5	(2,377,705)	(2,602,669)
Interest payable and expenses	8	(615,835)	(266,126)
Loss before tax		(2,993,540)	(2,868,795)
Tax on loss	9	699,934	548,521
Loss for the financial year		(2,293,606)	(2,320,274)

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 21 form part of these financial statements.

TERRAFERTIL UK LIMITED
Registered number: 07968310

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	319	1,102
Tangible assets	11	12,149	5,253
Current assets			
Stocks	12	394,104	868,533
Debtors: amounts falling due within one year	13	1,657,514	1,364,670
		<u>2,051,618</u>	<u>2,233,203</u>
Creditors: amounts falling due within one year	15	(10,942,132)	(4,009,874)
Net current liabilities		<u>(8,890,514)</u>	<u>(1,776,671)</u>
Total assets less current liabilities		<u>(8,878,046)</u>	<u>(1,770,316)</u>
Creditors: amounts falling due after more than one year	16	-	(4,814,124)
Net liabilities		<u><u>(8,878,046)</u></u>	<u><u>(6,584,440)</u></u>
Capital and reserves			
Called up share capital	17	1,228,459	1,228,459
Share premium account		91,964	91,964
Profit and loss account		(10,198,469)	(7,904,863)
		<u><u>(8,878,046)</u></u>	<u><u>(6,584,440)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Wednesday 10th July 2024

Tom Benton

Tom Benton
Director

The notes on pages 12 to 21 form part of these financial statements.

TERRAFERTIL UK LIMITED

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	1,228,459	91,964	(5,584,589)	(4,264,166)
Comprehensive income for the year				
Loss for the year	-	-	(2,320,274)	(2,320,274)
At 1 January 2023	1,228,459	91,964	(7,904,863)	(6,584,440)
Comprehensive income for the year				
Loss for the year	-	-	(2,293,606)	(2,293,606)
At 31 December 2023	1,228,459	91,964	(10,198,469)	(8,878,046)

The notes on pages 12 to 21 form part of these financial statements.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

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 Haxby Road, York, YO31 8TA, 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 2023 and these financial statements may be obtained from Nestle.com.

2.3 Accounts prepared on a basis other than that of a going concern

During the year ended 31 December 2023 the company incurred a loss of £2,293,606 (2022: £2,320,274) and had net current liabilities at that date of £8,890,514 (2022: £1,776,671).

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 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 2023

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.

2.6 Pensions

Defined contribution pension plan

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

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

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss 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 reporting 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.

2.8 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.

2.9 Debtors

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

2.10 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.

2.11 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 2023

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

	2023 £	2022 £
United Kingdom	3,280,736	3,646,747
Rest of the world	-	59,503
	<u>3,280,736</u>	<u>3,706,250</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:

	2023 £	2022 £
Auditor's remuneration: audit fees	16,500	16,000
Exchange differences	(15,381)	53,213
Other operating lease rentals	-	59,223
	<u>-</u>	<u>117,836</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

6. Employees

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

	2023	2022
	£	£
Wages and salaries	949,130	833,460
Social security costs	70,708	60,023
Cost of defined contribution scheme	36,998	35,848
	<u>1,056,836</u>	<u>929,331</u>

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

	2023	2022
	No.	No.
Employees	<u>14</u>	<u>15</u>

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	<u>213,225</u>	<u>195,977</u>

8. Interest payable and similar expenses

	2023	2022
	£	£
Other loan interest payable	<u>615,835</u>	<u>266,126</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

9. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	(699,934)	(546,777)
Adjustment in respect of previous periods	-	(1,744)
	(699,934)	(548,521)
	(699,934)	(548,521)
Total current tax	(699,934)	(548,521)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	(2,993,540)	(2,868,795)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	(703,482)	(545,071)
Effects of:		
Other differences	3,548	(1,706)
Prior year adjustment	-	(1,744)
Total tax charge for the year	(699,934)	(548,521)

Factors that may affect future tax charges

At 31 December 2023 the company had trading tax losses carried forward of approximately £1,600,000 (2022: £1,600,000). 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. The tax credit arises due to the payment by group companies for the tax losses.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

10. Intangible assets

	Computer software £
Cost	
At 1 January 2023	3,920
At 31 December 2023	<u>3,920</u>
Amortisation	
At 1 January 2023	2,818
Charge for the year on owned assets	783
At 31 December 2023	<u>3,601</u>
Net book value	
At 31 December 2023	<u>319</u>
<i>At 31 December 2022</i>	<u><u>1,102</u></u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

11. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2023	5,000	-	1,523	13,035	19,558
Additions	-	13,900	-	-	13,900
At 31 December 2023	<u>5,000</u>	<u>13,900</u>	<u>1,523</u>	<u>13,035</u>	<u>33,458</u>
Depreciation					
At 1 January 2023	941	-	363	13,002	14,306
Charge for the year on owned assets	1,250	5,213	507	33	7,003
At 31 December 2023	<u>2,191</u>	<u>5,213</u>	<u>870</u>	<u>13,035</u>	<u>21,309</u>
Net book value					
At 31 December 2023	<u>2,809</u>	<u>8,687</u>	<u>653</u>	<u>-</u>	<u>12,149</u>
At 31 December 2022	<u>4,059</u>	<u>-</u>	<u>1,161</u>	<u>33</u>	<u>5,253</u>

12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>394,104</u>	<u>868,533</u>

13. Debtors

	2023 £	2022 £
Trade debtors	675,304	174,443
Amounts owed by group undertakings	-	12,975
Other debtors	274,786	596,754
Prepayments and accrued income	9,196	33,721
Tax recoverable	698,228	546,777
	<u>1,657,514</u>	<u>1,364,670</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

14. Cash and cash equivalents

	2023 £	2022 £
Less: bank overdrafts	(5,036,580)	(3,023,567)
	<u>(5,036,580)</u>	<u>(3,023,567)</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	5,036,580	3,023,567
Trade creditors	328,444	495,962
Amounts owed to group undertakings	5,035,209	203,496
Other taxation and social security	19,145	17,673
Other creditors	1,271	520
Accruals and provisions	521,483	268,656
	<u>10,942,132</u>	<u>4,009,874</u>

Bank overdrafts are made up of £5,036,580 (2022: £3,023,567) relating to an In House Banking Facility managed by Nestle S.A. which operates as a liquid facility to fund the day to day operations of Terrafertil U.K. Ltd. Within accruals and provisions is £365,662 relating to the recognition of costs for an agreed reconstruction of the business, recognised in the Statement of Comprehensive Income. This provision is expected to be fully unwound in the next financial year.

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

	2023 £	2022 £
Amounts owed to group undertakings	-	4,814,124
	<u>-</u>	<u>4,814,124</u>

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,228,459 (2022 - 1,228,459) Ordinary shares of £1 each	<u>1,228,459</u>	<u>1,228,459</u>

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

18. Related party transactions

Nestlé S.A. ("NSA")

NSA is a fellow group undertaking incorporated in Switzerland.

At 31 December 2023 the company owed NSA £8,825 (2022: £13,832) and was charged £55,688 (2021: £62,016) in respect of licence fees in the year then ended.

Nestlé UK Limited ("NUK")

NUK is a fellow group undertaking incorporated in United Kingdom.

At 31 December 2023 the company was owed £78,712 by NUK (2022: £266,329 owed to NUK), made sales to NUK of £304,617 (2022: £723,709) and was recharged expenditure of £211,711 (2022: £277,746) during the period.

On 5 March 2020, Nestlé UK Limited provided a loan facility to the company of up to £3.23m which attracts interest at the 3 month LIBOR rate plus a 250 basis point margin. The loan automatically renews on an annual basis unless terminated by either party. During the year 2023, drawdowns of £Nil (2022: £Nil) were made and interest of £409,876 (2022: £263,674) was charged on the loan facility.

Unless otherwise specified above, all amounts owed to fellow group undertakings at 31 December 2023 attract no interest and have no fixed repayment date.

19. Ultimate parent undertaking

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](https://www.nestle.com).