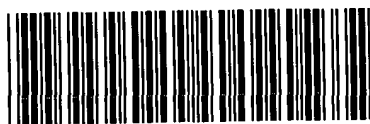


Registration number: 00434274

Bühler UK Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2021

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Bühler UK Limited

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Bühler UK Limited

Company Information

Directors	C Schlatter Broger N J Wilkins D A Kinsella C Cabello PM Silverman C Gossweiler L Elliott V Butterworth
Registered office	20 Atlantis Avenue London E16 2BF
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Accountants	Bourner Bullock Chartered Accountants Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ
Independent Auditor	Cooper Parry Group Limited Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

A brief history

The sorting business unit (Sortex) was established in May 1947 by the Balint Brothers who were looking for ways to speed up the manual practice of handpicking defective seeds. They hired a small team of scientists, who developed the SORTEX G1 - the world's first ever Sortex sorter.

At the end of 1948, Sortex sold a batch of five machines to a company called Bachelors Peas, now part of Unilever. Soon after, they sold an additional 20 sorters and by early 1951 a total of seventy of these workhorse machines had been installed in the UK and other countries. The brand has gone from strength to strength ever since, with a portfolio of sorting technology spanning multiple food and non-food industries.

In 1994 Bühler AG of Switzerland purchased the whole of Sortex's share capital - through Bühler UK Holding Limited - and subscribed equity capital in the company, thus beginning a new era in the history of Sortex.

In 2007 the construction of the infrastructure for the 2012 London Olympics led to the relocation of Sortex to purpose built premises at Gallions Reach. This enabled Sortex and Bühler's Sales & Service (SAS) headquarters for Northern Europe to merge its activities at the new site.

Principal activities

Our mission is innovations for a better world and as a key part of the Swiss Bühler AG family, Bühler UK Ltd has two functions. It is:

1. the SAS headquarters for Northern Europe supplying complete plants for the flour and feed milling, cereal processing, chocolate, printing ink, die casting, mechanical and pneumatic conveying industries and related services in the UK and Ireland.
2. a key division within Bühler AG called Digital Technologies. This is the Business Area umbrella for the Business Units: SORTEX, Digital Sense and Data Analytics & Services. Our mission is to drive the digital transformation of Bühler by integrating digitalisation, innovation and technology across our portfolio in; optical sorting, sensing, weighing, packing and data-driven services for maximum food safety, sustainability and performance.

Bühler UK Ltd is ideally positioned to continue the development of innovative technology that makes food processors in every sector more efficient, more productive and more profitable.

With a range of integral departments from HR, Accounts, R&D and Applications, to Marketing, Sales and Customer Services, the HQ also features a substantial factory area with its own secure customs facility to make the exporting process more efficient.

All departments work together to achieve shared goals of increasing yield, reducing waste and minimizing energy consumption for customers in their processing plants.

Everyday billions of people come into contact with Bühler technologies to cover their basic needs for food and mobility. With our industrial process technologies and solutions, we contribute significantly to feeding the world's population, setting the focus on food security and safety.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

Fair review of the business and future developments

Bühler proved to be a reliable partner to all its stakeholder and showed robust business performance in 2021. Due to the market and business diversity, we always had enough customer orders. Protection of the health of employees, securing supply chains for customers, and keeping the innovation rate high were the top priorities. Despite adverse conditions, Bühler fulfilled all customer contracts and delivery agreements without interruptions.

Bühler was able to move to a flexible organisation and allowed people to work from home. For people who could not work from home the office has been set up to comply with COVID regulations.

While the pandemic continued to present challenges, we successfully secured operations, supply chains, deliveries, and services to our customers. Turnover decreased by 8% compared to 2020. However, with a positive turnaround of orders (16% increase compared to 2020) we are convinced that Turnover for 2022 will improve. Despite an ongoing challenging economic environment and strained supply chains, we remain optimistic and expect a continuation of our profitable growth.

To strengthen our market position in optical sorting even more, Digital Technologies has developed the next generation of “engines” for sorting technologies. This engine, or “brain” of the machines, is a combination of electronic hardware and software. The first products equipped with this revolutionary “brain” were launched on the market. This new generation marks a breakthrough in flexibility and reliability to sort different raw materials at the highest speed and at the highest sorting quality with a very intuitive and easy user interface. The new Bühler sorters will not only reject conventional defects such as discoloured or broken grains, but also mycotoxins, alkaloids, and allergen free material. It encompasses the sorting algorithms for colour detection, defect sizing, self-learning, tracking, calibration, and defect removal. At the same time, we now offer full connectivity to our digital cloud platform Bühler Insights with all enabling services, increasing usability. With the new generation, optical sorting is reaching a next level to cater to the increased complexity and requirements from the markets.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Gross Profit Margin	%	26.15	24.63
R&D Investment Measured on Turnover	%	3.43	4.12
Working Capital Ratio		1.96	2.14

The profit margins have increased slightly to 26% (2020: 24%). The main reason for the increase was the increase of service turnover which generates higher margin than sales of goods.

The R&D Investment decreased slightly to 3% (2020: 4%).

The working capital remains strong at a ratio of 2 (2020: 2) and investments in new products and segments are on-going.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

Employee recruitment and development

The Company is an equal opportunities employer and gives full consideration to all applications for employment. The Company does not treat anyone less favourably because of a personal characteristic such as religion, sex, gender reassignment or age. No vacancy will be advertised or publicised (internally or externally) in any way which is designed to discourage viable applications with any particular protected characteristic. All applications will be considered based on merit and the needs of the business. Applicants will be assessed so far as reasonably practicable against a set of objectives, non-discriminatory criteria which will be directly related to the demands of the particular vacancy.

Should an employee become disabled during employment, a risk assessment would be undertaken to determine whether/what reasonable adjustments are required to enable the individual to carry out the duties of their role.

Promotion and training decisions will be made on the basis of merit including skill, aptitude, availability, experience and general overall suitability for the job. We will not unlawfully discriminate against any employee in making promotion or training decisions. We believe all employees should have an equal opportunity to progress and develop. The Company will try to ensure that promotion opportunities are brought to the attention of all employees/as wide a group of employees as possible.

At the beginning of the year all employees are given objectives, which are reviewed with their line manager half yearly. All employees can provide input into what their objectives are and agree them. At the end of the year the employees are measured against their objectives, based on the result, this is fed into their bonus payment.

The company has a bonus scheme which is based on employee and business performance. Depending on both elements mentioned above, this would determine the bonus payment to be made to employees.

The Company recognises that training is an important factor in career development opportunities to encouragement equal opportunities at work. It will take steps for its employees to increase awareness, knowledge, and skills for implementation of this policy. Training needs will also be identified through regular reviews/training needs analysis/appraisal discussions.

The top priority for the company has been the safety and well-being of employees. Our IT department worked hard to ensure that employees who are able to work remotely could do so. At peak lockdown periods, over 80% of our people were working securely from home. We adapted to a culture of virtual meetings and workshops, rolling out new collaboration tools, and embracing what has been a more inclusive global exchange of ideas. We have also launched an Employee Assistance Programme (EAP) available to employees and mental health first aiders and initiative to support our people during these challenging times.

We have different information channels to ensure our employees are informed about matters of concern. For example, a frequent newsletter or video message is sent out from the Managing Director. All the employees are informed about the financial situation of the business on a monthly basis via a team cascade in each department. To create more engagement, we held a quarterly Management Information session with the manager of the organisation to inform about strategy and higher-level topics. Furthermore, there is information of the group on the Intranet which is accessible for all employees.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

Generation B

Generation B (Gen B) is an international network of engaged and motivated employees who are actively shaping the company and the environment that we live in. Gen B drives culture change through a clear bottom-up approach on three levels: inspiring individual employees to drive and raise awareness for topics they are passionate about; holding our leaders accountable to create the company we want to work for by providing a direct sounding board to our management; and collaborating with our external partners in the industry to create their own movement in order to combine forces and resources.

Reverse mentoring, 'strategies for breakfast' and 'lunch and learns' with knowledgeable speakers, and confidential counselling are just some of the recurring activities orchestrated by Gen B.

Buhler 50/50/50 goals

We develop services and solutions for material transformation and processing, which improve the business outcome for our customers with a substantially lower ecological footprint. Within our strategy, it is our goal to have solutions ready to multiply that reduce energy, water, and waste by 50% in the value chains of our customers by 2025.

For ourselves, we have developed a pathway to achieve net zero in our Manufacturing, Logistics & Supply Chain activities by 2030.

Principal risks and uncertainties

SUPPLY CHAIN

The ongoing volatile environment is impacting the supply chains by increased costs as well as more complex and time-consuming routing of goods. Material shortages in global supply chains is impacting manufactory planning and lead time. Bühler's decentral setup and the flexibility of the global production footprint helped to sustain the supply chain and continue to serve customer demands efficiently throughout its industries. A taskforce has been set up to observe the market movements, react quickly, find new supplier and development into different technology to gain flexibility.

COVID-19

The Covid-19 pandemic will continue to have impacts on the markets. The high volatility and un-predictability will remain, so too the tensions and shortages in the global supply chains and transportation systems. On the other hand, the recovery and transition of key industries such as food, feed, and mobility will continue creating new demands for solutions and services. For Bühler, this means keeping the innovation rate high and utilising the many opportunities arising in this challenging time.

The corona task force is still in place and meeting on frequent basis. We managed to keep the number of infected employees under control, and thankfully we have not suffered any fatalities.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

UK Corporate Governance Code and s172 Reporting

The Board of Directors of Bühler UK Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 31st December 2021.

1. 2025 Strategy: We have finalised the 2025 strategy which focuses on long-term beneficial impact on the company and implementation of sustainable solutions for our customers. By 2025, we aim to establish a digital ecosystem to help our customers improve their value chain, connecting machines to the Cloud to generate an audit tracking of the entire food supply chain to improve quality and traceability.

2. Our employees are fundamental to the delivery of our strategy 2025. Bühler offers education opportunities and employee development programs. The programs are developed by Bühler AG and are open for all employees worldwide to apply and undergo a formal assessment process. There is for example the Bühler MBA program which includes external tutorial at Ashridge.

All employees, including the Directors, shall undergo a formalised annual performance appraisal process (Employee Performance Management, EPM). The Individual Performance Goals are defined and agreed upon jointly with each employee at the start of the fiscal year. The financial success of the organisation, which is measured on the basis of EBIT, also impacts performance-related remuneration.

Designed to be concise and unambiguous our values are encompassed in the acronym TOP, standing for trust, ownership, and passion. Trust relates to integrity, partnership skills and the credibility required for Bühler to form collaborative networks with customers, start-ups, academia, and NGOs to address global challenges. Ownership is about taking responsibility for decisions taken in the interest of our customers, and Passion drives people at Bühler to live their intentions, to learn each day, and to support others and to drive success. These values were integrated into the Employee Performance Management System in 2021 to make sure they reach deep into the organisation.

3. Shareholders: Shareholder management is not a key priority of Bühler UK Limited since it is a family-owned company. However, the Board is engaging with Bühler in Switzerland on a frequent basis and important business decisions are shared and discussed in quarterly workshops with the management of Bühler Holding AG.

4. Community and Environment: We are always considering the impact of the company's operations on the community and environment and our wider societal responsibilities. For example we are financially supporting a local charity. We are working closely with communities in our area to best support them.

Furthermore, Bühler UK Ltd established the Wildlife Biodiversity Group at the end of 2020, which has continued to grow in both membership and tasks undertaken. The primary activity of the Group is to promote, plan, and participate in the planting of flora, such as hedges, trees, and meadows, on the grounds that will help sustain local fauna. In 2021, several hedges were planted, a tree nursery was sown with about 500 native seeds, six heritage fruit trees were planted, and two new meadows introduced, one a cornflower meadow, the other a wildflower meadow. A lunchtime tour of the grounds was held for all employees, to inspire others to become more interested in biodiversity. The purpose is to scale the activity to individuals and other Bühler entities across the world.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2021

5. Customers: Working together with our customers and developing customised solution is key for Bühler. We built a new innovation centre at Bühler UK Limited to create a space for innovation. Unfortunately, the innovation centre could not be visited during most of 2021 due to COVID-19. However, a lot of customer demos have been carried out online and Bühler launched the Bühler Virtual World in 2020. This is the company's first digital trade fair providing a unique platform to engage with customers.

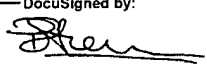
The annual Networking Days will take place in June 2022, designed to create awareness (among our customers) of Bühler as an industry 'thought leader' and position Bühler at the forefront for future developments. The goal is to have 800 attendees and the customer experience concept includes an ecosystem area for partners and start-ups, and in the Experience Dome there will be an innovation bar where our technologists and potentially chefs will introduce innovative end products that were created using our solutions. To ensure we are fully informed and aligned there is a program: Inspire our People (IoP) this is a whole program with webinars, B-learning, and a booklet (incl. Sales guideline) to make sure we are ready to address the customers' needs.

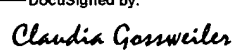
6. Compliance: A global initiative against corruption and bribery was rolled out in 2018 throughout the Bühler Group. An e-learning program was developed and made compulsory for all employees with a Bühler email address. The roll-out has been extremely successful with 100% completion of the training achieved in 2021. During the reporting period there have been no fines for compliance issues.

7. Suppliers: As a globally operating enterprise, Bühler is notably committed to sustainability. Our mission is "Innovations for a better world," and with our business, we contribute to worldwide nutrition and climate-friendly mobility. Ethical, social and environmental responsibility is an integral part of our long-term business strategy. Bühler expects all suppliers and sub-tier suppliers to abide by all applicable national and international laws and regulations as well as by the requirements of this our Supplier Code of Conduct. The requirements of this Code have been defined based on the principles of international standards, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisation (ILO) and Principles of the UN Global Compact.

10 May 2022 -

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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PM Silverman
Director

DocuSigned by:

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C Gossweiler
Director

Bühler UK Limited

Directors' Report for the Year Ended 31 December 2021

Directors of the Company

The directors who held office either during the year and/ or up to the date of signing the financial statements were as follows:

C Schlatter Broger

N J Wilkins

D A Kinsella

C Cabello

PM Silverman

C Gossweiler

L Elliott

V Butterworth

Information included in the Strategic Report

The company has chosen to include information in the Strategic Report that would normally be included in the Directors' Report including details of engagement with employees and future developments.

Dividends

The directors made dividend payments during the financial year ended 31 December 2020 of £10,000,000 (2020: £Nil).

The directors propose a dividend payment for the financial year ended 31 December 2021 of £10,000,000 (2020: £Nil).

Financial Risk Management

Objectives and policies

The directors monitor the financial risks to the company on an ongoing basis. The devaluation of Sterling increased foreign purchase prices but also made our products more attractive in external markets. The directors did not feel that it was appropriate to mitigate these risks by purchasing any financial instruments.

Price risk, credit risk, liquidity risk and cash flow risk

Credit Risk

The Company's credit risk is primarily attributable to balances owed by other Group undertakings and trade receivables. A substantial part of the trade receivables are generally supported by bank confirmed letters of credit, and as such are not believed to be at risk of default.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses debt finance, provided by the Group. The directors review these arrangements on a regular basis to ensure the Company is not excessively exposed to liquidity risk.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The directors review the levels of cash held by the Company to ensure that the amounts held are sufficient to mitigate cash flow risk as far as possible, and that adequate funds are available to facilitate the smooth running of the Company's operational activities.

Bühler UK Limited

Directors' Report for the Year Ended 31 December 2021

Political donations

No donations were made to any political parties during the current year or the previous year.

Environmental report

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and have used the GHG Protocol Corporate Accounting and Reporting Standard. We are required to report on Scope 1 emissions for business travel, and Scope 2 emissions from consumption of purchased electricity and gas. The emission factors have been taken from the 2020 UK Government's Conversion Factors for Company Reporting.

We collected data on energy use and business travel for the only two operations sites in London and Manchester. The business travel only includes travelling to customer with a company car. We are tracking business mileage by car.

The energy use mainly comes from the factory operations in London and the workshop in Manchester. We are not considering the transportation of goods in the reporting since we use freight forwarder. Due to our operational strategy, applying lean operation, we are not holding high amount of stock at our location. A few external warehouses are used which energy consumption is excluded. When we transport goods, we always carefully plan to do bulk shipments.

The London site is certified to ISO14001 2015 within Bühler's Group Certification.

Intensity Measurement

We have chosen the metric of combined scope 1 and 2 emissions expressed in tonnes CO₂e per average Full Time Employee (FTE).

Measures taken to improve energy efficiency

Bühler has a clear target of having net zero carbon emission by 2030. To achieve that target we have started to implement the following improvements.

- At our main manufacturing location in London, we have been working with our heating contractor to replace an old, oversized gas heating boiler, with three Air Source Heat Pumps. The project planned for installation in 2022 should save approximately 21 tCO₂e/year.
- In 2021 we have replaced all remaining fluorescent lights and external lighting with the energy efficient LED. This saves approximately 22 tCO₂e.
- Of our total energy consumption (gas and electricity) at both London and Manchester locations, 61% was from renewable sources. We aim to increase this percentage in 2022 when both sites will be using 100% renewable electricity, and the London site decommissions old gas fired equipment with electrical alternatives.

Bühler UK Limited

Directors' Report for the Year Ended 31 December 2021

Emissions and energy consumption

Summary of greenhouse gas emissions and energy consumption:

	Carbon Dioxide emissions in tonnes	Carbon Dioxide emissions in tonnes per FTE	Carbon Dioxide emissions in tonnes	Carbon Dioxide emissions in tonnes per FTE
	2021	2021	2020	2020
Total	510	1.6	478	1.5
From energy	406	1.3	382	1.2
From travel	104	0.3	96	0.3

Total carbon dioxide emissions have increased by 7% compared to 2020. Due to less COVID restrictions in 2021 customers visits increased and therefore business miles went up. Furthermore, more people came back to the office in 2021 and therefore the electricity consumption went up.

Total consumption of gas and electricity in 2021 amounted to 1,855MWh. As energy still contributes to 80% of our carbon emissions, we continue to focus on energy reduction and efficiency improvements.

Research and development

The company is currently involved in the research and development of further ranges of optical colour sorting equipment.

Directors' liabilities

Throughout the financial year and as at the date of the approval of these financial statements, the Company maintained Directors and Officer's Liability insurance policies on behalf of the directors of the Company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

Disclosure of information to the auditor

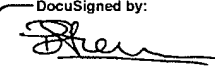
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

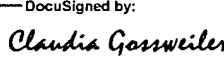
Independent auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Cooper Parry Group Limited as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

10 May 2022

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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 PM Silverman
 Director

DocuSigned by:

B67F1E45BA914BE.....
 C Gossweiler
 Director

Bühler UK Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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:

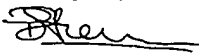
- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

10 May 2022

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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PM Silverman
Director

DocuSigned by:

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C Gossweiler
Director

Bühler UK Limited

Independent Auditor's Report to the members of Bühler UK Limited

Opinion

We have audited the financial statements of Bühler UK Limited (the 'company') for the year ended 31 December 2021, which comprise the income statement, the statement of comprehensive income, the balance sheet, 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 2021 and of its profit 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.

Bühler UK Limited

Independent Auditor's Report to the members of Bühler UK Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

Bühler UK Limited

Independent Auditor's Report to the members of Bühler UK Limited

We are not responsible for preventing irregularities. Our approach to detect irregularities included, but was not limited to, the following:

- Obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- Obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- Designing our audit procedures to respond to our risk assessment; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing Financial Statement disclosures to underlying supporting documentation;
- Reading the minutes of directors meetings;
- Enquiring of management as to actual and potential litigation and claims;
- Reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

Bühler UK Limited

Independent Auditor's Report to the members of Bühler UK Limited

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.



.....
Melanie Hopwell (Senior Statutory Auditor)
For and on behalf of **Cooper Parry Group Limited**
Chartered Accountants and Statutory Auditor
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 10 May 2022

Bühler UK Limited**Income Statement for the Year Ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	4	78,540,478	85,044,857
Cost of sales		<u>(58,002,000)</u>	<u>(64,094,133)</u>
Gross profit		20,538,478	20,950,724
Distribution costs		(4,727,463)	(4,925,899)
Administrative expenses		(9,257,273)	(11,018,403)
Other operating income	5	<u>582,997</u>	<u>1,084,200</u>
Operating profit	6	7,136,739	6,090,622
Interest receivable and similar income	8	56,000	290,583
Interest payable and similar expenses	9	<u>(354,352)</u>	<u>(40,065)</u>
Profit before taxation		6,838,387	6,341,140
Tax on profit/ (loss)	13	<u>(1,352,387)</u>	<u>(1,316,631)</u>
Profit for the financial year		<u><u>5,486,000</u></u>	<u><u>5,024,509</u></u>

The notes on pages 20 to 45 form an integral part of these financial statements.

Bühler UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021	2020
	£	£
Profit for the financial year	<u>5,486,000</u>	<u>5,024,509</u>
Remeasurements of net defined benefit pension scheme surplus	1,595,000	(156,000)
Movement on deferred tax relating to pension surplus	<u>(398,750)</u>	<u>29,640</u>
Other comprehensive (expense)/income	<u>1,196,250</u>	<u>(126,360)</u>
Total comprehensive income for the year	<u><u>6,682,250</u></u>	<u><u>4,898,149</u></u>

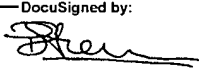
The notes on pages 20 to 45 form an integral part of these financial statements.

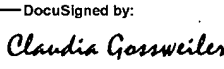
Bühler UK Limited**(Registration number: 00434274)
Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	12,950,038	13,881,356
		<u>12,950,038</u>	<u>13,881,356</u>
Current assets			
Stocks	16	12,657,965	12,923,444
Debtors	17	22,777,972	21,274,046
Cash at bank and in hand	18	10,192,603	14,827,194
		<u>45,628,540</u>	<u>49,024,684</u>
Creditors: Amounts falling due within one year	19	(23,272,859)	(22,894,611)
Net current assets		<u>22,355,681</u>	<u>26,130,073</u>
Total assets less current liabilities		35,305,719	40,011,429
Provisions for liabilities	20	(1,832,040)	(1,200,000)
Net assets excluding pension asset		33,473,679	38,811,429
Post-employment benefit plan asset	21	4,220,000	2,200,000
Net assets		<u>37,693,679</u>	<u>41,011,429</u>
Capital and reserves			
Called up share capital	22	1,250,000	1,250,000
Retained earnings		<u>36,443,679</u>	<u>39,761,429</u>
Total equity		<u>37,693,679</u>	<u>41,011,429</u>

10 May 2022

Approved and authorised by the Board on and signed on its behalf by:

DocuSigned by:

 B3ED4F0FFB36468.....
 PM Silverman
 Director

DocuSigned by:

 867F1E46BA914BF.....
 C Gossweiler
 Director

Bühler UK Limited**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2021	<u>1,250,000</u>	<u>39,761,429</u>	<u>41,011,429</u>
Profit for the financial year	-	5,486,000	5,486,000
Other comprehensive expense	-	<u>1,196,250</u>	<u>1,196,250</u>
Total comprehensive income for the year	-	6,682,250	6,682,250
Dividends	-	<u>(10,000,000)</u>	<u>(10,000,000)</u>
At 31 December 2021	<u><u>1,250,000</u></u>	<u><u>36,443,679</u></u>	<u><u>37,693,679</u></u>

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2020	<u>1,250,000</u>	<u>34,863,280</u>	<u>36,113,280</u>
Profit for the financial year	-	5,024,509	5,024,509
Other comprehensive income	-	<u>(126,360)</u>	<u>(126,360)</u>
Total comprehensive income for the year	-	<u>4,898,149</u>	<u>4,898,149</u>
At 31 December 2020	<u><u>1,250,000</u></u>	<u><u>39,761,429</u></u>	<u><u>41,011,429</u></u>

The notes on pages 20 to 45 form an integral part of these financial statements.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales.

The address of its registered office is:

20 Atlantis Avenue

London

E16 2BF

England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, modified by certain financial assets and liabilities measured at fair value through profit or loss.

These financial statements have been presented in pounds sterling rounded to the nearest pound. They cover a period of 12 months to 31 December 2021 (2020: 12 months to 31 December 2020).

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Bühler UK Limited is a qualifying entity as its results are consolidated into the financial statements of Bühler Holding AG which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to present a statement of cash flows as required by paragraph 3.17 (d) of FRS 102;
- (ii) from the requirement to present financial instrument disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, 12.26 and 12.29; and
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv).

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The financial performance of the company is dependent upon the wider economic environment in which it operates.

The Company's forecasts and projections, taking reasonable account of possible changes in trading performance, indicate at the date of approval of the 2020 financial statements that the company can pay its debts as they fall due for at least for the forthcoming 12 months. Therefore, the directors have a reasonable expectation that the company can continue to adopt the going concern basis in preparing its financial statements.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises turnover when the amount of turnover can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

Turnover is differentiated between the following business activities:

- a) The sale of engineered plant orders, whole or partial, usually including installation or supervision of installation and start up services. Orders are fulfilled and managed as projects under the responsibility of an assigned project manager. Spare parts, training and technical assistance included in the main plant order are allocated to this business activity. Project progress when a performance obligation is satisfied over time is measured based on the cost incurred in relation to the total project costs (input method).
- b) The sale of single machines and spares parts including components, subassembly and assembly to an existing machine or equipment. Turnover from the sale of machines is recognised when a customer receives the goods and the company satisfies its performance obligation.
- c) Services including repairs, maintenance, reconditioning, performance contracts, training, technological consultancy, lab trials, technical assistance, planning and control. Revenue from services is recognised on a straight-line basis over the lifetime of the contract.

Government grants

Government grants relating to tangible fixed assets are accounted for using the accrual method. The grant is recognised in profit and loss on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying amount of the asset.

Research and development

Expenditure on research or the research phase of an internal project is expensed as incurred. In the research phase of an internal project the entity cannot demonstrate that there is an intangible asset that will generate probable future economic benefits.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2.5% straight line
Furniture, fittings and equipment	8.33% to 33.33% straight line
Other property, plant and equipment	10% to 33.33% straight line

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Intangible assets

Intangible assets are stated in balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	33.33% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement of the creditor for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at amortised costs using the effective interest rate method.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A provision is recognised for expected warranty claims on products sold during the last 12 months. It is expected that most of these costs will be incurred in the next financial year.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed/fall short of the contribution due for service, the excess/shortfall is recognised as a prepayment/accrual.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Defined benefit pension obligation

The company operates two defined benefit pension schemes.

Pension costs for the group's defined benefit scheme are recognised as follows:

(a) Within operating profit

- The current service cost arising from employee service in the current period;
- The prior year service cost related to employee service in prior periods arising in the current period as a result of improvements to benefits and;
- Gains and losses arising on unanticipated or curtailments where the item that gave rise to the settlement or curtailment is recognised within operating profit.

(b) Within interest payable/receivable

- The interest cost on the liabilities, calculated by reference to the scheme liabilities and discount rate at the beginning of the period and allowing for changes during the period; and
- The expected return on assets, calculated by reference to the assets and discount rate at the beginning of the period and allowing for changes during the period.

(c) Within the statement of comprehensive income

- The differences between the actuarial assumptions and actual experience, and the effect of changes in actuarial assumptions.

Financial Instruments

The company applies sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement immediately.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement immediately.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Critical accounting estimates and judgements

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Impairment of stock

The company manufactures machines which are subject to technological developments and customer demands. As a result it is necessary to consider the recoverability of cost of stock and the associated provision required. When calculating stock provisions, management considers the nature and condition of the stock, as well as applying assumptions around anticipated future usage of stock components.

Pension Asset/ liability

The company has an obligation to pay pension benefits. Any surplus or deficit in the plan is calculated between the difference between the fair value of the plan's assets and the defined benefit obligation. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, asset valuations and the discount rate on corporate bonds. The assumptions reflect historical experience and current trends. Any surplus is restricted so that it is no more than the economic benefits that could be realised by the company, either in the form of future refunds or reductions in future contributions.

Warranty provisions

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment directors consider factors including the aging profile of debtors, historic experience and performance of the debtors' business.

Similarly, the company calculates a provision of 1% of machine turnover for the warranties which are in place for the machines which are sold. In calculating this provision, management consider the costs incurred for any specific issues which may have arisen which could impact on the size or volume of future warranty claims being made.

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****4 Turnover**

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

	2021	2020
	£	£
Sale of goods	69,936,966	78,520,712
Rendering of services	8,353,999	6,489,218
Other revenue	249,513	34,927
	<u>78,540,478</u>	<u>85,044,857</u>

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	20,760,085	16,701,675
Europe	20,854,307	26,751,386
Rest of world	36,926,086	41,591,796
	<u>78,540,478</u>	<u>85,044,857</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	233,042	561,874
Research and development expenditure credit	349,955	522,326
	<u>582,997</u>	<u>1,084,200</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****6 Operating profit**

Arrived at after charging/(crediting):

	2021 £	2020 £
Depreciation expense	1,054,519	1,064,704
Amortisation of Government grant	(43,200)	(43,200)
Bad debt expense	72,995	-
Research and development cost	2,691,959	3,501,733
Operating lease expense - other	<u>439,049</u>	<u>475,200</u>

7 Government grants

A Government grant received towards the purchase of leasehold land is treated as deferred income which is credited to the income statement by instalments over the 125 year lease period of the land on a basis consistent with the depreciation policy. At the year end a balance of £4,708,800 (2020: £4,752,000) was included in deferred income in relation to this grant.

Government grants were also received in relation to research and development and Covid-19 support during the financial year. These amounts are included in Other operating income.

8 Interest receivable and similar income

	2021 £	2020 £
Other finance income	56,000	78,049
Foreign exchange gains	<u>-</u>	<u>212,534</u>
	<u>56,000</u>	<u>290,583</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****9 Interest payable and similar expenses**

	2021	2020
	£	£
Interest expense on other finance liabilities	27,931	40,065
Foreign exchange losses	326,421	-
	<u>354,352</u>	<u>40,065</u>

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	14,152,537	14,315,585
Social security costs	1,388,237	1,661,149
Other pension costs	841,829	1,179,636
Other employee expense	78,921	123,649
	<u>16,461,524</u>	<u>17,280,019</u>

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

	2021	2020
	No.	No.
Production	87	99
Administration and support	22	31
Research and development	71	78
Sales, marketing and distribution	132	134
	<u>312</u>	<u>342</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****11 Directors' remuneration**

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	1,005,555	1,616,163
Contributions paid to money purchase schemes	56,128	142,065
Compensation for loss of office	-	285,688
	<u>1,061,683</u>	<u>2,043,916</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>8</u>	<u>10</u>

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	219,750	243,043
Company contributions to money purchase pension schemes	<u>9,846</u>	<u>18,969</u>

12 Auditor's remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>64,000</u>	<u>68,000</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****13 Tax on profit/(loss)**

Tax charged in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	1,214,432	998,642
Foreign tax	-	5,788
Total current income tax	1,214,432	1,004,430
Deferred taxation		
Arising from origination and reversal of timing differences	137,955	312,201
Total Tax expense	1,352,387	1,316,631
Tax relating to items recognised in other comprehensive (expense)/income		
	2021 £	2020 £
Deferred tax related to items recognised as items of other comprehensive (expense)/income	(287,169)	(29,640)

The tax on profit/(loss) for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	6,838,387	6,341,140
Corporation tax at standard rate	1,299,294	1,204,817
Effect of expense not deductible in determining taxable profit	59,517	95,927
Effect of tax losses	-	(143,822)
Effect of foreign tax rates	-	5,788
Decrease from effect of tax incentives	(250,902)	(108,819)
Tax increase from effect of capital allowances and depreciation	121,666	34,353
Tax increase from other short-term timing differences	137,955	312,201
Tax decrease arising from group relief	(884)	-
Tax decrease from changes in pension fund prepayment	(80,750)	(83,814)
Tax increase from effect of adjustment in research and development tax credit	66,491	-
Total tax charge	1,352,387	1,316,631

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****13 Tax on profit/(loss) (continued)****Deferred tax**

Deferred tax assets and liabilities

	Liability £
2021	
Capital allowances in excess of depreciation	557,618
Retirement benefit surplus	1,055,000
Tax losses carried forward	-
	<u>1,612,618</u>
2020	
Capital allowances in excess of depreciation	508,699
Retirement benefit surplus	418,000
Tax losses carried forward	-
	<u>926,699</u>

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods. A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021 and included in the Finance Bill 2021 published on the 11 March 2021, to increase in the corporation tax rate from 19 to 25 percent with effect from 1 April 2023.

Deferred taxes at the balance sheet date have been measured using enacted tax rates and reflected in these financial statements, being 25%.

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****14 Intangible assets**

	Software £	Total £
Cost or valuation		
At 1 January 2021	305,782	305,782
Disposals	<u>(47,632)</u>	<u>(47,632)</u>
At 31 December 2021	<u>258,150</u>	<u>258,150</u>
Accumulated Amortisation		
At 1 January 2021	305,782	305,782
Amortisation eliminated on disposals	<u>(47,632)</u>	<u>(47,632)</u>
At 31 December 2021	<u>258,150</u>	<u>258,150</u>
Carrying amount		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****15 Tangible assets**

	Freehold land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2021	10,331,313	5,573,198	1,614,987	17,519,498
Additions	-	52,976	70,225	123,201
Disposals	-	(184,924)	-	(184,924)
At 31 December 2021	<u>10,331,313</u>	<u>5,441,250</u>	<u>1,685,212</u>	<u>17,457,775</u>
Accumulated Depreciation				
At 1 January 2021	709,177	2,110,707	818,258	3,638,142
Charge for the year	221,437	702,393	130,689	1,054,519
Eliminated on disposal	-	(184,924)	-	(184,924)
At 31 December 2021	<u>930,614</u>	<u>2,628,176</u>	<u>948,947</u>	<u>4,507,737</u>
Carrying amount				
At 31 December 2021	<u>9,400,699</u>	<u>2,813,074</u>	<u>736,265</u>	<u>12,950,038</u>
At 31 December 2020	<u>9,622,136</u>	<u>3,462,491</u>	<u>796,729</u>	<u>13,881,356</u>

16 Stocks

	2021 £	2020 £
Raw materials and consumables	7,829,981	6,934,007
Work in progress	1,658,889	2,712,175
Finished goods and goods for resale	<u>3,169,095</u>	<u>3,277,262</u>
	<u>12,657,965</u>	<u>12,923,444</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****17 Debtors**

	Note	2021 £	2020 £
Trade debtors		7,265,565	7,698,325
Amounts owed by group undertakings		5,234,844	7,531,403
Other Debtors		3,586,962	2,708,383
Gross amount due from customers for contract work		5,398,338	1,636,187
Corporation tax asset	13	755,492	1,030,358
Prepayments and accrued income		536,771	669,390
		<u>22,777,972</u>	<u>21,274,046</u>

18 Cash at bank and in hand

	2021 £	2020 £
Cash on hand	1,993	1,788
Cash at bank	<u>10,190,610</u>	<u>14,825,406</u>
	<u>10,192,603</u>	<u>14,827,194</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

19 Creditors: Amounts falling due within one year

	Note	2021 £	2020 £
Trade creditors		3,163,707	4,241,643
Amounts owed to group undertakings	24	4,375,116	3,525,434
Taxation and social security		346,980	405,305
Other creditors		846,245	1,601,191
Deferred government grant	7	4,708,800	4,752,000
Accruals and deferred income		<u>9,832,011</u>	<u>8,369,038</u>
		<u>23,272,859</u>	<u>22,894,611</u>

Amounts owed to group undertakings accrue no interest and are repayable on demand.

20 Provisions for liabilities

	Warranties £	Deferred tax on other timing differences £	Total £
At 1 January 2021	273,301	926,699	1,200,000
(Decrease)/Increase in existing provisions	<u>(53,878)</u>	<u>685,919</u>	<u>632,041</u>
At 31 December 2021	<u>219,423</u>	<u>1,612,618</u>	<u>1,832,041</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Post-employment benefit plan asset

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £709,834 (2020 - £960,641).

Defined benefit pension schemes

	2021 £	2020 £
The Sortex Final Salary Pension Scheme surplus	1,070,000	361,000
The Bühler Pension Scheme surplus	3,150,000	1,839,000
Total defined benefit pension surplus	<u>4,220,000</u>	<u>2,200,000</u>

Sortex Final Salary Pension Scheme

The amounts in the financial statements for the year, relating to pensions, are based on a projected actuarial valuation dated 31 December 2019. The next actuarial valuation is due as at 31 December 2022.

The liabilities at the reporting date have been calculated by updating the final results of the actuarial valuation of the Scheme as at 31 December 2019 for the assumptions as detailed in these disclosures. Allowance has been made for the passage of time, benefits paid out of the scheme, inflationary experience, expected mortality over the period, and actual movement in financial conditions since the valuation date.

The accounting disclosures have been calculated by rolling forward the valuation liabilities from 31 December 2019 to the Measurement Date of 31 December 2021. The resulting assets/ liabilities have then been adjusted to reflect the different assumptions used.

Contributions paid during the year amounted to £190,000 (2020 - £190,000). There were no outstanding contributions as at 31 December 2021. The Company also expects to pay £190,000 to the Scheme during the accounting year beginning 1 January 2022.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Post-employment benefit plan asset (continued)

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £Nil (2020 - £91,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2020 - £Nil).

Reconciliation of present value of scheme liabilities

The amounts recognised in the statement of financial position are as follows:

	2021	2020
	£	£
Fair value of scheme assets	7,069,000	6,567,000
Present value of defined benefit obligation	<u>(5,999,000)</u>	<u>(6,206,000)</u>
Defined benefit pension scheme surplus	<u>1,070,000</u>	<u>361,000</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****21 Post-employment benefit plan asset (continued)*****Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

	2021
	£
Present value at start of year	6,206,000
Interest Cost	73,000
Actuarial losses	(38,000)
Benefits paid	(223,000)
Other	(19,000)
	<u>5,999,000</u>
Present value at end of year	<u>5,999,000</u>

Reconciliation of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021
	£
Fair value at start of year	6,567,000
Interest income	78,000
Actuarial gains	476,000
Employer contributions	190,000
Benefits paid	(223,000)
Other	(19,000)
	<u>7,069,000</u>
Fair value at end of year	<u>7,069,000</u>

The fair value of the plan asset was:

	2021	2020
	£	£
Cash and cash equivalents	45,000	25,000
Equity instruments	-	3,829,000
Gilts and bonds	4,985,000	2,713,000
Diversified credit fund	2,039,000	-
	<u>7,069,000</u>	<u>6,567,000</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Post-employment benefit plan asset (continued)

The return on plan assets was:

	2021 £	2020 £
Actual return on scheme assets	<u>476,000</u>	<u>397,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	1.80	1.20
Future pension increases	3.50	3.00
Inflation	<u>3.50</u>	<u>3.00</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Post-employment benefit plan asset (continued)

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	86.00	86.00
Current UK pensioners at retirement age - female	88.00	88.00
Future UK pensioners at retirement age - male	87.00	87.00
Future UK pensioners at retirement age - female	<u>90.00</u>	<u>90.00</u>

Buhler Pension Scheme

The amounts in the financial statements for the year, relating to pensions, are based on a projected actuarial valuation dated 5 April 2021. The next actuarial valuation is due as at 5 April 2024.

The liabilities at the reporting date have been calculated by updating the final results of the actuarial valuation of the Scheme as at 5 April 2021 for the assumptions as detailed in these disclosures. Allowance has been made for the passage of time, benefits paid out of the scheme, inflationary experience, expected mortality over the period, and actual movement in financial conditions since the valuation date.

The accounting disclosures have been calculated by rolling forward the valuation liabilities from 5 April 2021 to the Measurement Date of 31 December 2021. The resulting assets/ liabilities have then been adjusted to reflect the different assumptions used.

Contributions paid during the year amounted to £308,000 (2020 - £336,000). There was £28,000 of outstanding contributions as at 31 December 2021 (2020 - £Nil). The Company also expects to pay £336,000 to the Scheme during the accounting year beginning 1 January 2021

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £132,000 (2020: £128,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2020: £Nil).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2021 £	2020 £
Fair value of scheme assets	17,947,000	17,930,000
Present value of defined benefit obligation	<u>(14,797,000)</u>	<u>(16,091,000)</u>
Defined benefit pension scheme surplus	<u>3,150,000</u>	<u>1,839,000</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Post-employment benefit plan asset (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £
Present value at the start of the year	16,091,000
Interest Cost	214,000
Actuarial losses	(995,000)
Benefits paid	(513,000)
Present value at end of year	<u>14,797,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £
Present value at the start of the year	17,930,000
Interest income	240,000
Return on plan assets, excluding amounts included in interest income	86,000
Employer contributions	336,000
Benefits paid	(513,000)
Administration costs	(132,000)
Fair value at end of year	<u>17,947,000</u>

Bühler UK Limited**Notes to the Financial Statements for the Year Ended 31 December 2021****21 Post-employment benefit plan asset (continued)***Analysis of assets*

The major categories of scheme assets are as follows:

	2021	2020
	£	£
Cash and cash equivalents	1,003,000	1,168,000
Equity instruments	7,042,000	6,146,000
Other assets	8,311,000	9,072,000
Property	1,591,000	1,544,000
	<u>17,947,000</u>	<u>17,930,000</u>

Return on scheme assets

	2021
	£
Return on scheme assets	<u>326,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021	2020
	%	%
Discount rate	1.95	1.35
Future pension increases	2.75	2.35
Inflation	<u>3.50</u>	<u>3.15</u>

Post retirement mortality assumptions

	2021	2020
	Years	Years
Current UK pensioners at retirement age - male	87.00	87.00
Current UK pensioners at retirement age - female	89.00	89.00
Future UK pensioners at retirement age - male	88.00	88.00
Future UK pensioners at retirement age - female	<u>91.00</u>	<u>90.00</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

22 Called up share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

23 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	262,005	350,942
Later than one year and not later than five years	<u>370,600</u>	<u>526,230</u>
	<u>632,605</u>	<u>877,172</u>

24 Related party transactions

The company has taken advantage of the exemption under FRS 102 section 33.1A not to disclose related party transactions with other group companies.

25 Parent and ultimate parent undertaking

The company's immediate parent is Bühler UK Holdings Limited, incorporated in England and Wales.

The ultimate parent is Bühler Holding AG, incorporated in Switzerland.

The most senior parent entity producing publicly available consolidated financial statements is Bühler Holding AG. These financial statements are available upon request from CH 9240, Uzwil, Switzerland