

# **Cargill Foods Limited**

## **Directors' report and financial statements**

31 May 2016

Registered number 00222999



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## **Directors' report**

### **Introduction**

The directors present their annual report and the audited financial statements for the year ended 31 May 2016.

### **Principal activities**

The principal activity of the company is poultry import and distribution business.

### **Business review and summary results**

The directors consider the key performance indicators for the business to be turnover and profit.

Summarised results are given below:

	<b>2016</b>	2015
	<b>£000</b>	£000
Turnover	<b>520</b>	730
Profit on ordinary activities after taxation for the financial period	<b>8</b>	6

### **Dividends**

During the year the company neither declared nor paid a dividend (2015: £nil).

### **Policy and practice on payment of creditors**

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

### **Directors**

The directors who served during the year and at the report date were:

P M Allan	(appointed 1 March 2016)
M Thompson	(appointed 1 March 2016)
R D Thurston	(resigned 1 March 2016)
C N Wade	(resigned 1 March 2016)

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**M Thompson**  
Director  
25 January 2017

Velocity V1  
Brooklands Drive  
Weybridge  
Surrey  
KT13 0SL

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Report of the independent auditor to the members of Cargill Foods Limited**

We have audited the financial statements of Cargill Foods Limited for the year ended 31 May 2016 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

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

*Neil Calder*

Neil Calder (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ  
25 January 2017

**Profit and loss account**  
*for the year ended 31 May 2016*

	<i>Note</i>	<b>2016</b> <b>£000</b>	2015 £000
<b>Turnover</b>	<b>2</b>	<b>520</b>	730
Cost of sales		<u>(515)</u>	<u>(725)</u>
<b>Gross profit</b>		<b>5</b>	5
Administrative expenses		<u>(1)</u>	<u>(3)</u>
<b>Operating profit</b>		<b>4</b>	2
Other interest receivable and similar income	<b>4</b>	<u>6</u>	<u>6</u>
<b>Profit on ordinary activities before taxation</b>		<b>10</b>	8
Tax on profit on ordinary activities	<b>6</b>	<u>(2)</u>	<u>(2)</u>
<b>Profit for the financial period</b>		<u><b>8</b></u>	<u>6</u>

The company made no acquisitions and had no discontinued activities in the year.

**Statement of other comprehensive income**  
*for the year ended 31 May 2016*

	<b>2016</b> <b>£000</b>	2015 £000
Profit for the financial period	<u>8</u>	<u>6</u>
<b>Total comprehensive income</b>	<u><b>8</b></u>	<u>6</u>

**Balance sheet**  
*at 31 May 2016*

	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
<b>Current assets</b>			
Debtors	7	<u>1,294</u>	<u>1,288</u>
		<b>1,294</b>	<b>1,288</b>
<b>Creditors: amounts falling due within one year</b>	8	<u>(2)</u>	<u>(4)</u>
<b>Net assets</b>		<u><b>1,292</b></u>	<u><b>1,284</b></u>
<b>Capital and reserves</b>			
Called up share capital	9	<b>1,000</b>	<b>1,000</b>
Profit and loss account		<b>292</b>	<b>284</b>
<b>Shareholder's funds</b>		<u><b>1,292</b></u>	<u><b>1,284</b></u>

These financial statements were approved by the board of directors on 25 January 2017 and were signed on its behalf by:



**M Thompson**  
*Director*

**Statement of changes in equity**  
*for the year ended 31 May 2016*

	Share capital £000	Profit and loss account £000	Total £000
At 1 June 2014	1,000	278	1,278
Profit	-	6	6
<b>At 31 May 2015</b>	<b>1,000</b>	<b>284</b>	<b>1,284</b>

	Share capital £000	Profit and loss account £000	Total £000
At 1 June 2015	1,000	284	1,284
Profit	-	8	8
<b>At 31 May 2016</b>	<b>1,000</b>	<b>292</b>	<b>1,292</b>



## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

#### ***Statement of compliance***

Cargill Foods Limited is a limited liability company incorporated in England. The registered office is Velocity V1, Brooklands Drive, Weybridge, Surrey KY13 0SL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. In the transition to FRS 102 from old UK GAAP the company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Designation of previously recognised financial instruments – certain financial assets and liabilities were at 1 June 2014 designated at fair value through profit or loss.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 11. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. As the company is profitable and has sufficient net assets to trade the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### ***Turnover***

Turnover, all of which arose from the company's principal activity, represents the amounts, excluding Value Added Tax, derived from the provision of goods and services to customers during the year. Revenue is only recognised when the goods are delivered and when the risks and rewards of ownership pass to the buyer.

#### ***Stock***

Stocks are stated at the lower of cost and net realisable value. The cost of imported poultry includes direct costs, together with the appropriate proportion of overheads.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Foreign currencies***

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

#### ***Dividends on shares presented within shareholder's funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### ***Taxation***

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### ***Basic financial instruments***

##### ***Trade and other debtors / creditors***

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### ***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Notes** *(continued)*

**1**      **Accounting policies** *(continued)*

**Expenses**

*Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

***Classification of financial instruments issued by the company***

In accordance with FRS102.22 financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

**Notes** *(continued)*

**2 Segmental analysis**

*Analysis by geographical segment*

In both the current and preceding years all of the company's sales and operating profits originated in the United Kingdom and Europe. An analysis of turnover by geographical destination is shown below:

	<b>2016</b>	2015
	<b>£000</b>	£000
UK	<b>307</b>	597
Rest of Europe	<b>213</b>	133
<b>Turnover</b>	<b>520</b>	730

**3 Staff numbers and costs**

There were no employees during the year. The directors are remunerated by other companies within the group. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company.

**4 Other interest receivable and similar income**

	<b>2016</b>	2015
	<b>£000</b>	£000
Amounts derived from group companies	<b>6</b>	6

**5 Expenses and auditor's remuneration**

	<b>2016</b>	2015
	<b>£000</b>	£000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	<b>1</b>	1

**Notes (continued)**

**6 Taxation**

**Total tax expense recognised in the profit and loss account**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<i>Current tax</i>		
UK corporation tax at 20.00% (2015: 20.83%)	<u>2</u>	<u>2</u>
Total tax	<u><u>2</u></u>	<u><u>2</u></u>

**Reconciliation of effective tax rate**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit for the year	<b>8</b>	<b>6</b>
Total tax expense	<u><b>2</b></u>	<u><b>2</b></u>
Profit excluding taxation	<b>10</b>	<b>8</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.83%)	<u><b>2</b></u>	<u><b>2</b></u>
Total tax charge for the year	<u><u><b>2</b></u></u>	<u><u><b>2</b></u></u>

**Factors that may affect future current and total tax charges**

The 2015 Budget announced that the UK corporation tax rate will reduce to 19% from 1 April 2017. This reduction was substantively enacted on 26 October 2015 and reduces the company's current tax charge accordingly. The deferred tax liability at 31 May 2016 has been calculated based on the rate of 19% substantively enacted at the balance sheet date.

A subsequent reduction in rate to 17%, effective from 1 April 2020, was announced in the 2016 Budget and was substantively enacted on 15 September 2016.

This reduces the company's future current tax rate accordingly.

**Notes (continued)**

**7 Debtors**

	2016 £000	2015 £000
<i>Due within one year</i>		
Amounts owed by group undertakings	1,294	1,288
	<u>1,294</u>	<u>1,288</u>
<i>Amounts owed by group undertakings comprise:</i>		
Trade debtors	4	5
Short term deposits	1,290	1,283
	<u>1,294</u>	<u>1,288</u>

**8 Creditors: amounts falling due within one year**

	2016 £000	2015 £000
<i>Due within one year</i>		
Amounts owed to group undertakings - trade creditors	-	1
Corporation tax	2	2
Accruals and deferred income	-	1
	<u>2</u>	<u>4</u>

**9 Called up share capital**

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

**10 Related parties**

As the company was a wholly owned subsidiary of Cargill, Incorporated at 31 May 2016 the company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group headed by Cargill, Incorporated.

**11 Ultimate holding company and parent undertaking**

The immediate parent undertaking of Cargill Foods Limited is Cargill PLC, a company incorporated in Great Britain and registered in England and Wales. Cargill, Incorporated is the ultimate parent undertaking of Cargill Foods Limited and is regarded by the directors as being the company's ultimate controlling party.

The parent undertaking of the smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.