

Vandemoortele (UK) Limited

Annual report and financial statements
for the year ended 31 December 2015

Registered number 1107148

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Vandemoortele (UK) Limited

Officers and professional advisers for the year ended 31 December 2015

Board of directors

Mr Bart Bruyneel

Mr Filip Goethals

Jules Noten Comm V

Director & Company secretary

D Durez

Registered office

Quest House
125-135 Staines Road
Hounslow
Middlesex
TW3 3JB



Vandemoortele (UK) Limited

Strategic report for the year ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015

Business review

Vandemoortele (UK) Limited ("the Company") is a wholly owned subsidiary of Vandemoortele NV. The Company markets margarines and fats produced and supplied by Vandemoortele Lipids NV, primarily in the industrial and food-service sectors in the territories of the United Kingdom and Ireland. In addition, the Company markets frozen bakery products produced and supplied by Vamix NV, also in the territories of the United Kingdom and Ireland. The results for the Company show a pre-tax profit of £606,000 (2014: £329,000) for the year on sales of £59,248,000 (2014: £60,032,000). The level of business and the year-end financial position were satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

Key performance indicators

Performance during the year and comparison with the previous year are detailed in the table below.

	2015	2014	Commentary
Decline in revenue %	1.31%	10.95%	Year on year sales growth expressed as a percentage
Gross profit %	<u>5.56%</u>	(9.4%)	Sales less cost of sales, before administration expenses, expressed as a percentage of sales
Debtor days	57	57	Trade debtors divided by turnover multiplied by 365 days

Future outlook and principal risks and uncertainties

The margarines and fats market and the bakery products markets are materially influenced by the international commodity prices of key raw materials and ingredients such as palm oil, flour and butter. This is considered to be the principal risk and uncertainty facing the business along with the highly competitive nature of the market place.

The Company continues to develop partnerships with its customers on the basis of innovation underpinned by Vandemoortele Lipids NV's renowned Research and Development Centre in Belgium which handles margarines, fats and frozen bakery products.

Financial risk management

The Company's operations expose it to a number of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management policy that includes the principle of maximising finance income from short-term deposits via the monitoring of cash balances and working capital requirements. The Company does not hold any debt facilities at 31 December 2015 other than loans from Group Companies but this will be reviewed in light of changes in operations and requirements.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department as required.

Vandemoortele (UK) Limited

Strategic report for the year ended 31 December 2015 (continued)

Financial risk management (continued)

Price risk

The Company is exposed to commodity price risk as a result of its operations. However, given the size of the Company's operations, the costs of actively managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Usually new customers are given cash accounts, then migrate to credit accounts once payment history is established. The Company uses third party online credit evaluations as well as Companies House information, including latest financial statement submissions.

Liquidity risk

The Company actively manages its working capital requirements to ensure it has sufficient funds for its operations. The requirement for medium to long term debt finance will be reviewed by the board of directors based on the Company's forecast requirements.

Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets consist of short term deposits and cash balances, all of which earn interest at fixed rates. The Company has a policy of maintaining short term deposits and cash balances at a level sufficient to fund its operations. The directors will revisit the appropriateness of this policy should the Company's operations or cash balances change in size or nature.

On behalf of the board



D Durex
Director and Company Secretary
Date: May 23rd, 2016

Vandemoortele (UK) Limited

Directors' report for the year ended 31 December 2015

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2015

Principal activities

The principal activity of the Company is that of the sale of margarine, fats and frozen bakery products in the UK

A final dividend of £2 50 per ordinary share amounting to £500,000 has been proposed and approved after the balance sheet date and will be paid in 2016 (2015 final dividend of £2 60 per ordinary share of £520,000 paid in 2014)

Directors

The directors who served during the year and up to the date of signing these financial statements, unless otherwise stated were

Jules Noten Comm V

Bart Bruyneel

Filip Goethals

Dirk Durez

Statement of directors' responsibilities The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

On behalf of the board

D Durez
Director and Company Secretary



Vandemoortele (UK) Limited

Statement of income and retained earnings for the year ended 31 December 2015

		2015	2014
	Notes	£'000	£'000
Turnover	2	59,248	60,032
Cost of sales	3	(53,262)	(54,361)
Gross profit		5,986	5,671
Selling and distribution costs	3	(2,768)	(2,329)
Administrative expenses	3	(2,782)	(3,010)
Operating profit		436	332
Interest receivable and similar income	6	172	1
Interest payable and similar charges	7	(1)	(4)
Profit on ordinary activities before taxation		607	329
Tax on profit on ordinary activities	8	(119)	(75)
Profit for the financial year		488	254
Retained earnings as at 1 January		1,314	1,580
Dividends paid during the year		(295)	(520)
Retained earnings as at 31 December		1,506	1,314

All turnover and operating results are derived from continuing operations

Vandemoortele (UK) Limited

Statement of financial position as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Plant and equipment		3	-
		3	-
Current assets			
Receivables	9	9,434	9,560
Cash and cash equivalents		2,738	108
		12,172	9,668
Payables amounts falling due within one year	10	(10,469)	(8,154)
Net current assets		1,703	1,514
Total assets less current liabilities and net assets		1,706	1,514
Capital and reserves			
Called up share capital	11	200	200
Retained earnings		1,506	1,314
Total shareholders' funds		1,706	1,514

For the year ended 31 December 2015 the company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476, and the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements on pages 5 to 15 were approved by the board of directors on May 23rd, 2016 and signed on its behalf by


D Durez
Director
(Company Registration number 1107148)

Vandemoortele (UK) Limited

Statement of Cash flows for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit before tax		606	329
Adjustments for			
Depreciation		3	-
Interest receivable and similar income		(172)	(1)
Decrease in debtors		126	698
Increase/(decrease) in creditors		3,561	(350)
Taxation paid		(80)	(175)
Net cash inflow from operations		4,044	501
Cash flows from investing activities			
Purchase of plant and equipment		(6)	-
Interest received		172	1
Net cash inflow from investing activities		166	1
Cash flows from financing activities			
Dividends paid	12	(295)	(520)
Drawdown of overdraft facility		(1,285)	-
Net cash outflow from financing activities		(1,580)	(520)
Net increase/(decrease) in cash and cash equivalents		2,630	(18)
Cash and cash equivalents at the beginning of the period		108	126
Cash and cash equivalents at the end of the period		2,738	108

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 as issued by the Financial Reporting Council in the United Kingdom

Before the year ended 31 December 2015 the financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Principles as issued by the Financial Reporting Council, and referred to below as 'previous UK GAAP'. The financial effects of the transition are set out in note 17 below

The financial statements have been prepared on a going concern basis on the basis that Vandemoortele NV will provide financial support to the Company to ensure that it is able to meet its liabilities as they fall due for the foreseeable future. In particular, the amounts owed to group undertakings will not be repaid to Vandemoortele NV for the foreseeable future unless sufficient financial resources and facilities are available to the Company

The principal accounting policies have been applied consistently throughout the year and are set out below

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts. Revenue is recognised on receipt of goods by the customer

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term

Financial assets and liabilities

Financial instruments are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. All financial instruments held by the Company have been classified as basic

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably. The criteria that the Company uses to determine that there is objective evidence of an impairment loss include

- i significant financial difficulty of the obligor,
- ii a breach of contract, such as a default or delinquency in payments,
- iii the Company, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the lender would not otherwise consider,
- iv it becomes probable that the debtor will enter bankruptcy or other financial reorganisation,

As an initial step the Company assesses whether objective evidence of impairment exists

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced to the present value of estimated future cash flows and the amount of the loss is recognised in the income statement. Where the investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

In the case of financial assets measured at cost, the impairment loss will be the difference between the asset's carrying amount and the best estimate of the sales price that would be achieved at the reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Trade receivables

Trade receivables are amounts due from customers for the supply of goods and services by the Company. Trade receivables are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible, being those with original maturities of three months or less.

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

Trade payables

Trade payables 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 payables falling due within one year if payment is due within one year or less. If not, they are presented as payables falling due after one year.

Trade payables are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is measured on an undiscounted basis.

Foreign currencies

The Company has a presentation currency of Pounds Sterling (GBP) and has determined that Pounds Sterling is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to profit and loss.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 13 represents contributions payable by the company to the fund in the year.

Critical accounting estimates and judgements

In the opinion of the directors there are no critical or significant accounting estimates or judgements involved in the preparation of the financial statements.

2 Turnover

All turnover arose within the United Kingdom and relates to the sale of food products.



Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Expenses

Operating profit is stated after charging

	2015	2014
	£'000	£'000
Cost of sales:		
Purchases from group undertakings	45,657	49,578
Discounts and rebates offered	1,057	1,813
Commissions	6,518	2,929
Other costs of sales	30	41
	53,262	54,361
	2015	2014
	£'000	£'000
Selling and distribution costs:		
Distribution costs	1,664	1,445
Transportation	1,104	884
	2,768	2,329

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Expenses (continued)

	2015	2014
	£'000	£'000
Administrative expenses:		
Depreciation of plant and equipment - owned by the company	3	9
Auditors' remuneration		
- audit services (group reporting / statutory)	4	(6)
- non audit services (tax compliance)	-	4
Operating lease rentals		
- plant and machinery	100	93
- land and buildings	83	82
Salaries and employment costs	1,757	1,803
Foreign exchange loss	138	245
Professional fees	19	4
Other administrative expenses	678	776
	2,782	3,010

4 Staff costs

Staff costs were as follows

	2015	2014
	£'000	£'000
Wages and salaries	1,458	1,502
Social security costs	209	202
Other pension costs (note 1)	90	99
	1,757	1,803

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

4 Staff costs (continued)

The average monthly number of employees, including directors, during the financial year amounted to

	2015	2014
	Number	Number
Selling and distribution	9	9
Administration	16	16
	25	25

5 Directors' emoluments

	2015	2014
	£'000	£'000
Aggregate emoluments	107	139

None of the directors are accruing benefits under pension schemes

6 Interest receivable and similar income

	2015	2014
	£'000	£'000
Interest receivable from group companies	172	1

7 Interest payable and similar charges

	2015	2014
	£'000	£'000
Interest payable to group companies	1	4

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

8 Tax on profit on ordinary activities

	2015	2014
	£'000	£'000
Current tax:		
UK corporation tax on profits of the year	119	75
Total current tax	119	75
Total tax on profit on ordinary activities	119	75

The tax assessed for the year is higher than the standard effective rate of corporation tax in the UK of 20 25% (2014 21%) The differences are explained below

	2015	2014
	£'000	£'000
Profit on ordinary activities before taxation	606	329
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 25% (2014 21%)	122	71
Effects of		
Expenses not deductible for tax purposes	(1)	4
Writing down allowances in excess of depreciation	(2)	
Total current tax charge for the year	119	75

Deferred tax is not material

9 Receivables

	2015	2014
	£'000	£'000
Amounts falling due within one year		
Trade receivables	9,295	9,405
Corporation Tax	-	14
Other receivables	29	32
Prepayments and accrued income	110	109
	9,434	9,560

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

10 Payables: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade payables	37	47
Bank overdrafts	1,285	-
Amounts owed to group undertakings	8,043	6,965
Corporation tax	25	-
Other creditors including taxation and social security	34	33
Accruals and deferred income	1,045	1,109
	10,469	8,154

Within amounts owed to group undertakings there is an unsecured loan of £nil (2014 £1,558,000) due to Vandemoortele Coordination Center NV. Interest is payable at a variable rate based on LIBOR. The loan is repayable on demand. However, Vandemoortele NV will provide financial support to the Company to ensure that it is able to meet its liabilities as they fall due for the foreseeable future. In particular, the amounts owed to group undertakings will not be repaid to Vandemoortele NV for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

Other amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

11 Called up Share capital

	2015	2014
	£'000	£'000
Allotted and fully paid:		
200,000 (2014 200,000) ordinary shares of £1 each	200	200

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

12 Dividends

	2015	2014
Equity Ordinary	£'000	£'000
Final paid £1 48 per £1 ordinary share (2014 £2 60 per £1 ordinary share)	295	520

13 Pension commitments

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £90,000 for the year (2014 £99,000). The Company does not have any outstanding or prepaid contributions at 31 December 2015.

14 Operating lease commitments

At 31 December 2015 the Company was committed to making minimum payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Within one year	78	78		
Between two and five years	39	117		
Over five years	-	-		
	117	196		

15 Related Party Transactions

Transactions with entities that are part of the same group have not been disclosed on the grounds that 100% of the voting rights are controlled within the group and consolidated financial statements of the ultimate parent group are publicly available.

Vandemoortele (UK) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

16 Ultimate parent undertaking and controlling party

Vandemoortele NV, a company registered in Belgium, is the immediate and ultimate parent undertaking and controlling party and the only group to consolidate these financial statements. Vandemoortele NV has a 100% interest in the equity capital of Vandemoortele (UK) Limited at 31 December 2015. Copies of the ultimate parent's consolidated financial statements may be obtained publicly from Vandemoortele NV Moutstraat 64, 9000 Gent, Belgium.

Under Section 479C of the Companies Act 2006 related to subsidiary companies, Vandemoortele NV has given a statutory guarantee of all the outstanding liabilities to which the company is subject at 31 December 2015. This guarantee has been filed at Companies House.

17 Reconciliation from previous GAAP to FRS 102

The adoption of FRS 102 has resulted in a number of changes to the company's accounting policies and disclosures, however none of the amendments have had a financial effect on the Company's results, assets or liabilities.