

**NZMP (AEM) Limited
Annual Report
31 July 2019**

Registration Number 02586315

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NZMP (AEM) Limited
Contents page
For the year ended 31 July 2019

The Annual Report comprises:	
Report of the Directors	3 - 4
Independent Auditors' report to the members of NZMP (AEM) Limited	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of significant accounting policies	10 - 11
Notes to the financial statements	12 - 13

**NZMP (AEM) Limited
Report of the Directors
For the year ended 31 July 2019**

The Directors present their report and the audited financial statements of the Company for the year ended 31 July 2019. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company did not trade during the year.

Results and dividends

The statement of comprehensive income for the year is set out on page 7.

The Company has shown administrative expenses of £3,000 during the year as compared to £8,000 during the previous year.

The Company made a profit for the financial year of £28,000 (2018: £12,000). The Company did not make a dividend payment during the year (2018: Nil).

Financial risk management objectives

The Directors are of the view that there are no significant risks or uncertainties facing the Company.

Future Developments

A review of the structure of the UK group companies with a view to simplification of the group which will include the liquidation of NZMP (AEM) Limited is still ongoing. It is management's intention to liquidate NZMP (AEM) Limited in the future and as a result, the financial statements have been prepared on a basis other than going concern. The Directors have performed a review of the carrying value of assets and liabilities within the Company and are satisfied that any future restructuring would not lead to a write down of assets.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Directors

The Directors who served during the year and up to the date of signing the financial statements were as follows:

Gulab Sharma

Mehmet Erol (resigned 1 April 2019)

Grant Duncan (appointed 15 April 2019)

Hans Huistra (appointed 15 April 2019 and resigned 15 August 2019)

Mark Boyd (appointed 15 August 2019)

Statement of Directors' responsibilities

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

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 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.

NZMP (AEM) Limited
Report of the Directors
For the year ended 31 July 2019

Independent Auditors

The process of appointing new auditors to replace PricewaterhouseCoopers LLP is expected to be concluded at the next Annual General Meeting of the company.

On behalf of the Board

G.R. Sharma
Gulab Sharma
Director

01-10-2019
Date

Independent auditors' report to the members of NZMP (AEM) Limited

Report on the audit of the financial statements

Opinion

In our opinion, NZMP (AEM) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 July 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; the statement of significant accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note c to the financial statements concerning the basis of preparation. The entity is not trading and is to be liquidated in the future as a result of an intention to simplify the structure of the UK group companies. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note c to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of NZMP (AEM) Limited (continued)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Ian Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

2 October 2019

NZMP (AEM) Limited
Statement of comprehensive income
For the year ended 31 July 2019

	Notes	31 July 2019 £'000	31 July 2018 £'000
Administrative expenses		(3)	(6)
Operating loss and loss before net finance income and tax	1	(3)	(6)
Finance income		31	18
Net finance income		31	18
Profit before tax		28	12
Tax expense	4	-	-
Profit from continuing operations		28	12
Profit and total comprehensive income for the financial year		28	12

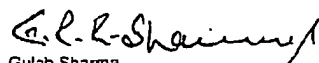
NZMP (AEM) Limited
Statement of financial position
As at 31 July 2019

	Notes	31 July 2019 £'000	31 July 2018 £'000
Assets			
Current assets			
Trade and other receivables	5	4,518	4,489
Cash and cash equivalents		7	8
Total current assets		4,525	4,497
Liabilities			
Current liabilities			
Trade and other payables	6	19	19
Total current liabilities		19	19
Net assets		4,506	4,478
Equity			
Called up share capital	7	-	-
Profit and loss account		307	279
Share premium account		4,199	4,199
Total equity attributable to equity holders of the Company		4,506	4,478
Total equity		4,506	4,478

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

10 October 2019

The financial statements on pages 7 to 13 were approved by the Board of Directors on 10 October 2019 and were signed on its behalf by:


Gulab Sharma
Director

Registered Number: 02586315

NZMP (AEM) Limited
Statement of changes in equity
For the year ended 31 July 2019

	Called up share capital £'000	Profit and loss account £'000	Share premium account £'000	Total equity £'000
As at 1 August 2018	-	279	4,199	4,478
Profit for the financial year	-	28	-	28
Total comprehensive income	-	28	-	28
As at 31 July 2019	-	307	4,199	4,506
As at 1 August 2017	-	267	4,199	4,466
Profit for the financial year	-	12	-	12
Total comprehensive income	-	12	-	12
As at 31 July 2018	-	279	4,199	4,478

NZMP (AEM) Limited
Statement of significant accounting policies
For the year ended 31 July 2019

(a) General Information

NZMP (AEM) Limited ('the Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom. It is a non-trading company.

The address of its registered office is Delta 100, Delta Business Park, Great Western Way, Swindon, Wiltshire, England, SN5 7XP.

The parent company is Fonterra (International) Limited, which is incorporated in New Zealand.

The ultimate parent company is Fonterra Co-operative Group Limited, which is incorporated in New Zealand.

The financial statements are for NZMP (AEM) Limited as a separate legal entity.

(b) Basis of preparation

The financial statements of NZMP (AEM) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

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

These financial statements are prepared on a historic cost basis.

These financial statements are presented in Pounds Sterling and rounded to the nearest thousand (£'000), except where otherwise stated.

Critical accounting estimates and judgement

In the process of applying the Company's accounting policies, management made a number of judgements, estimates of future events, and assumptions. These are all believed to be reasonable based on the most current set of circumstances available to the Company.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:

- paragraph 79(a)(iv) of IAS 1;

The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows)

- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity reclassifies items in its financial statements),

- 16 (statement of compliance with all IFRS),

- 38A (requirement for minimum of two primary statements, including cash flow statements),

- 38B-D (additional comparative information),

- 111 (cash flow statement information), and

- 134-136 (capital management disclosures)

- IAS 7, 'Statement of cash flows'

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

(c) Going Concern

A review of the structure of the UK group Companies with a view to simplification of the group which will include the liquidation of NZMP (AEM) Limited is still on going. A final decision is likely to be made within the next two years as to when. However, it is management's intention to liquidate NZMP (AEM) Limited in the future and as a result, the financial statements have been prepared on a basis other than going concern. The Directors have performed a review of the carrying value of assets and liabilities and no adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

(d) New and amended standards adopted by the entity

The Company has adopted IFRS 9 with effect from 1 August 2016. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting.

There has been no material impact in adopting IFRS 9.

There are no other new or amended standards that are issued but not yet effective that would be expected to have a material impact on the Company.

NZMP (AEM) Limited
Statement of significant accounting policies
For the year ended 31 July 2019

(e) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within 'Other operating income/(expense)'.

(f) Financial assets and liabilities

Financial assets and liabilities are initially recognised at the date the Company becomes party to the underlying contractual provisions of the transaction.

Trade and other receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised at carrying value, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

Trade and other receivables are derecognised when they are settled by the counter-party, or, if the Company transfers the balance to another party.

Cash balances

Cash balances are measured at their face value and include cash and cash equivalents comprising cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other payables

Trade and other payables are initially recognised at fair value, which is represented by the amount invoiced by the supplier. Due to their short term nature they are not discounted. Trade and other payables are derecognised upon settlement.

Preference shares are classified as liabilities and are redeemable on demand of the holder (note 6).

(g) Called up share capital

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity.

(h) Finance income

Interest income is recognised on an accrual basis in the income statement, using the effective interest method.

(i) Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NZMP (AEM) Limited
Notes to the financial statements
For the year ended 31 July 2019

31 July 2019
£'000

31 July 2018
£'000

1 Operating loss and loss before net finance income and tax

Fees payable for the audit of the financial statements for 31 July 2019 of £8,000 are settled by another group Company without recharge, (2018: £7,000).

2 Employee information

The Company has no employees (2018: none).

3 Directors' emoluments

During the current year and previous year, no Director was remunerated by NZMP (AEM) Limited.

The Directors of the Company were remunerated by other group companies, for their service to the group as a whole in the current and previous year, receiving no separate remuneration for their services as Directors of NZMP (AEM) Limited.

4 Tax expense

Tax expense included in profit or loss

Current tax:		
- UK corporation tax on profits for the year	5	2
- Tax losses utilised in the year	(5)	(2)
Total tax expense	-	-

The tax assessed for the year is the same as the standard rate of corporation tax in the UK applicable to the Company of 19% (2018: 19%).

Profit before tax	28	12
Expected tax expense at 19%	5	2
Tax losses utilised in the year	(6)	(2)
Tax charge	-	-

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

5 Trade and other receivables

Amounts owed by group undertakings	4,518	4,489
Total trade and other receivables	4,518	4,489

Amounts owed by group undertakings also include amounts on deposit with Fonterra Co-operative Group Limited. Interest on this deposit is payable at the prevailing market rate, which during the year was determined at 1.16%. These amounts are payable on demand.

6 Trade and other payables

18,750 (2018: 18,750) Preference shares £1 each	19	19
Total trade and other payables	19	19

The preference shares are redeemable on demand of the holder. On winding up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights. The preference shares do not carry any right to dividend. However, if the Company fails to redeem the preference shares on the due date, the redemption price of these shares will be increased at, and with effect from the date of notice of redemption by the shareholder, at a rate of 8.11% pa compounded annually.

7 Called up share capital

	2019 Quantity	2018 Quantity
Issued and paid up ordinary capital		
Balance at the beginning of the year	1	1
Balance at the end of the year	1	1
Issued and paid up ordinary capital	£'000	£'000
Balance at beginning and end of the year	-	-

The Company has 1 ordinary share on issue (2018: 1) at a par value of £1/share. All shares rank pari passu in respects. There are no restrictions on the distribution of dividends and the repayment of capital.

8 Subsequent events

There are no events subsequent to 31 July 2019 (2018: nil) that the Directors consider would have a material impact on these financial statements.

NZMP (AEM) Limited
Notes to the financial statements
For the year ended 31 July 2019

9 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Fonterra (International) Limited.

The ultimate parent undertaking and controlling party is Fonterra Co-operative Group Limited, a company incorporated in New Zealand.

Fonterra Co-operative Group Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements as at 31 July 2019. The consolidated financial statements of Fonterra Co-operative Group Limited are available from 109 Fanshawe Street, Auckland, New Zealand.