

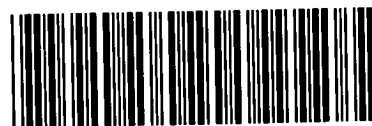
COMPANY REGISTRATION NUMBER 02779673

The Harts Corner Natural Sausage Company Limited

Report and Financial Statements

31 March 2017

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COMPANIES HOUSE

Company information

Directors

M T P Davey
J M Bottomley

Secretary

M B Windeatt

Registered office

74 Helsinki Road
Sutton Fields
Hull
HU7 0YW

Auditors

Ernst & Young LLP
24 Marina Court
Castle Street
Hull HU1 1TJ

Bankers

Lloyds Bank plc
15 Market Place
Driffield
East Yorkshire YO24 6AH

Solicitors

Rollits
Citadel House
High Street
Hull HU1 1QE

Strategic Report

The directors present their strategic report and the financial statements for the year ended 31 March 2017.

Accounting basis

During the year, the company transitioned from UK GAAP to FRS101 – Reduced Disclosure Framework. There was no effect on the net assets of the company as at 31 March 2016 or result for the year ended 31 March 2017. The Company's parent undertaking, Cranswick plc, was notified of and did not object to the use of EU-adopted IFRS disclosure exemptions.

Principal activity and review of the business

On 16 November 2016 the Company acquired 100% of the share capital of Dunbia (Ballymena). Prior to this the Company was dormant, and has not traded in either the current or prior year. The principal activity of the company during the year was as an investment parent undertaking, and will continue as such for the foreseeable future. The trading activity of the subsidiary undertaking during the year was primary pig processing.

Key performance indicators

Details of the Company's investments are provided in note 6. The Directors monitor the financial performance of the Company's investments on a regular basis.

Principal risks and uncertainties


Strategic, commercial, financial and operational risks are all considered in establishing and maintaining the company's control environment, which is designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore the controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The principal risk to the company is the risk of impairment to the carrying value if its investments in the event that the trading subsidiary does not perform adequately.

At the current time it is not believed this risk is likely to have a significant impact on the short or long-term value of the company.

The recent triggering of Article 50, which formally commenced the UK's negotiations to leave the EU, has yet to provide stability in currency markets or clarify the uncertainty within the European labour market. The Group therefore continues to monitor and manage its business risks in these areas.

By order of the Board



Malcolm Windeatt
Company Secretary
7 July 2017

Directors' Report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2017.

Principal activity

The company is a holding company, and does not itself trade. The directors do not foresee any change in that status.

Results and dividend

During the year the company has not traded, and has made neither a profit nor loss (2016:£nil). No dividend was paid during the year (2016: £nil) and the directors do not recommend a final dividend (2016: £nil).

Going concern

In view of the net current liabilities position the parent undertaking has agreed to provide adequate funding to fund the company's operations for at least the next twelve months.

The company, as part of the Cranswick plc Group, has considerable financial resources together with strong, long standing relationships with its customers and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Directors

The directors who served the company during the year, and up to the date of approval of these financial statements, were as follows:

M T P Davey
J M Bottomley

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP stand down as external auditors of the Cranswick plc Group in accordance with the requirements of the UK Corporate Governance Code. A resolution to appoint PricewaterhouseCoopers LLP as independent external auditor will be proposed at the Annual General Meeting.

By order of the Board

Malcolm Windeatt
Company Secretary
7 July 2017

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of The Harts Corner Natural Sausage Company Limited

We have audited the financial statements of The Harts Corner Natural Sausage Company Limited for the year ended 31 March 2017 which comprise the Balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 Statement of directors' responsibilities set out on page 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

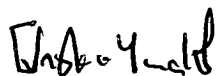
Independent auditor's report

to the members of The Harts Corner Natural Sausage Company Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

- 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.



A Denton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Hull

10 July 2017

Balance sheet

at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments	6	14,777	-
Current assets			
Debtors	8	3,353	-
Creditors: amounts falling due within one year	9	(18,130)	-
Net current liabilities		(14,777)	-
Net assets		-	-
Capital and reserves			
Called up share capital	10	-	-
Equity shareholders' funds		-	-

The financial statements were approved for issue by the Board of Directors on 7 July 2017:



J M Bottomley
Director
7 July 2017

Notes to the financial statements

at 31 March 2017

1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of The Harts Corner Natural Sausage Company Limited (the "Company") for the year ended 31 March 2017 were authorised for issue by the board of directors on 7 July 2017 and the balance sheet was signed on the board's behalf by Mark Bottomley. The Harts Corner Natural Sausage Company Limited is a private company limited by shares and is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

2. Accounting policies

Basis of preparation

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2017. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment because the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- (c) the requirements of IFRS 7 Financial Instruments: Disclosures
- (d) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
 - (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - (v) paragraph 50 of IAS 41 Agriculture
- (f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (g) the requirements of IAS 7 Statement of Cash Flows;
- (h) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (i) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (j) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (k) the requirements of paragraphs 134(d)- 134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- (l) the effects of new but not yet effective International Financial Reporting Standards.

Group financial statements

The company is exempt from the requirement to present group financial statements under section 400 of the Companies Act 2006 and accordingly the financial statements present information about the company as an individual undertaking and not about its group. The financial statements have been included in the group financial statements of its ultimate parent undertaking, Cranswick plc.

Notes to the financial statements

at 31 March 2017

2. Accounting policies (continued)

Dividends

Dividends payable by the company are recognised by the company when declared and therefore final dividends proposed after the balance sheet dates are not recognised as a liability at the balance sheet date.

Investments

Fixed asset investments are stated at cost less any provisions necessary for diminution in value.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred tax is provided on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- i) except where the deferred income tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised:

- i) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ii) in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity and not in the profit and loss account. Otherwise income tax is recognised in the profit and loss account.

Notes to the financial statements

at 31 March 2017

2. Accounting policies (continued)

Going concern

As the parent undertaking, and in view of the net current liabilities position Cranswick plc has agreed to provide adequate funding to fund the company's operations for at least twelve months from the date of approval of these financial statements.

The Company, as part of the Cranswick plc group, has considerable financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

3. Auditors' remuneration

Auditors' remuneration is borne by another group company.

4. Directors' remuneration

The directors of the Company were paid by the ultimate parent undertaking and fellow subsidiary companies. The directors received total remuneration for the year, in relation to their qualifying services to the Cranswick plc Group as a whole of £1,955,000 (2016 – £1,934,000), of which £nil (2016 – £nil) was paid by this company. The directors do not believe it is practicable to apportion their total remuneration between their services as directors of the Company and as directors of the holding and fellow subsidiary companies.

5. Staff costs

There were no active employees of the Company during either year.

6. Investments

Shares in group companies
£'000

Cost:

At 1 April 2016

-

Additions

14,777

At 31 March 2017

14,777

Details of the investments are as follows:

<i>Name</i>	<i>Holding</i>	<i>Country of domicile</i>	<i>Business</i>	<i>Registered office</i>
Cranswick Gourmet Sausage Company Limited	50%	England and Wales	Non-trading	74 Helsinki Road, Hull, HU7 0YW
Cranswick Country Foods (Ballymena)	100%	Northern Ireland	Manufacture of pork products	166 Fenaghy Road, Cullybackey, County Antrim, BT42 1EA

Notes to the financial statements

at 31 March 2017

7. Acquisitions

On 16 November 2016, the Company acquired 100 per cent of the issued share capital of Dunbia (Ballymena) (renamed Cranswick Country Foods (Ballymena)) for a total consideration of £18,130,000 including £3,353,000 settlement of intercompany creditors due to the previous owner and a deferred consideration of £1,250,000. The principal activity of Cranswick Country Foods (Ballymena) is primary pig processing.

Contingent consideration

The agreement includes contingent consideration payable in cash to the previous owners based on obtaining a China Export licence. The amount payable will be either £nil or £1,250,000.

The fair value of the contingent consideration on acquisition was estimated at £1,250,000, which has been recognised on an undiscounted basis in these accounts.

8. Debtors

	2017	2016
	£000	£000
Amounts owed by group undertakings	3,353	-

9. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Amounts owed to group undertakings	16,880	-
Contingent Consideration (note 7)	1,250	-
	18,130	-

10. Share capital

		<i>Authorised</i>		
		<i>2017</i>	<i>2016</i>	
		<i>£'000</i>	<i>£'000</i>	
Ordinary shares of £0.10 each		-	-	
		<i>Allotted, called up and fully paid</i>		
		<i>2017</i>	<i>2016</i>	
	<i>No.</i>	<i>£'000</i>	<i>No.</i>	<i>£'000</i>
Ordinary shares of £0.10 each	5,000	-	5,000	-

Notes to the financial statements

at 31 March 2017

11. Related party transactions

The company is a wholly owned subsidiary of Cranswick plc, the group financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in IAS24 from disclosing transactions with Cranswick plc and its wholly owned subsidiaries.

11. Ultimate parent company

The company is a wholly owned subsidiary of Cranswick Country Foods plc, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Cranswick plc, a company registered in England and Wales. Copies of Cranswick plc group financial statements can be obtained from the registered office at 74 Helsinki Road, Sutton Fields Industrial Estate, Hull, HU7 0YW.

12. Transition to FRS 101

For all periods up to and including the year ended 31 March 2016, the Company applied the exemption within FRS102 to retain its previous accounting policies and prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 April 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet at 1 April 2015, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards", with the exception of paragraphs 6 and 21 where FRS 101 gives an exemption from the presentation of an opening balance sheet.

There was no effect on the net assets of the company as at 31 March 2015 or result for the year ended 31 March 2016 consequently no restatement has been presented.