

Lowesmoor Foods Limited

Directors' report and financial statements

31 May 2014

Registered number 03113684

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Directors' report

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 May 2014.

Principal activities

The principal activity of the company is poultry processing and distribution business and the import and distribution of animal feed products.

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:

	2014 £000	2013 £000
Turnover	1,426	962
Profit on ordinary activities after taxation for the financial period	10	6

Dividends

During the year the company neither declared nor paid a dividend (2013: £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:

C W Oliver	(resigned 9 October 2013)
J B Sikes	(resigned 9 October 2013)
M D P Cruz Diaz	(appointed 9 October 2013)
X Hyenne	(appointed 9 October 2013)

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



X Hyenne
Director
18th December 2014

Grandstand Road
Hereford
Herefordshire
HR4 9PB

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).

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 Lowesmoor Foods Limited

We have audited the financial statements of Lowesmoor Foods Limited for the year ended 31 May 2014 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

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 2014 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.

Tim Widdas (*Senior Statutory Auditor*)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

19 December 2014

Profit and loss account
for the year ended 31 May 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover	2	1,426	962
Cost of sales		(1,409)	(951)
Gross profit		17	11
Other operating income		1	1
Administrative expenses		(4)	(2)
Operating profit		14	9
Other interest receivable and similar income	4	(1)	(1)
Profit on ordinary activities before taxation	5	13	8
Tax on profit on ordinary activities	6	(3)	(2)
Profit for the financial period	11	10	6

The company had no recognised gains or losses other than the result for the year.

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

Balance sheet
at 31 May 2014

	<i>Note</i>	2014 £000	2013 £000
Current assets			
Stock	7	62	-
Debtors	8	94	225
		<u>156</u>	<u>225</u>
 Creditors: amounts falling due within one year	 9	 (21)	 (100)
		<u> </u>	<u> </u>
Net assets		<u><u>135</u></u>	<u><u>125</u></u>
 Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	135	125
		<u> </u>	<u> </u>
Shareholder's funds	12	<u><u>135</u></u>	<u><u>125</u></u>

These financial statements were approved by the board of directors on 18th December 2014 and were signed on its behalf by:



X Hyenne
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and on a going concern basis.

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.

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

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 *Deferred tax*. A deferred tax asset is recognised to the extent it is regarded as recoverable. Provision is made at rates of taxation anticipated to be in force when the timing differences are expected to reverse.

Notes *(continued)*

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

Classification of financial instruments issued by the company

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 year 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:

	2014 £000	2013 £000
UK	738	789
Rest of Europe	688	173
Turnover	1,426	962

3 Staff numbers and costs

There were no employees during the year. Sun Valley Foods Limited pays the directors' emoluments of J B Sikes, X Hyenne and M D P Cruz Diaz and Cargill PLC pays the directors' emoluments of C W Oliver. There is no cost to the company for making their services available as a director of the company.

4 Other interest receivable and similar income

	2014 £000	2013 £000
Amounts derived from group companies	(1)	(1)

5 Profit on ordinary activities before taxation

	2014 £000	2013 £000
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Profit on ordinary activities before taxation is stated after charging:

Auditor's remuneration:

Audit of these financial statements	1	1
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Notes (continued)

6 Taxation

	2014	2013
	£000	£000
(a) Analysis of charge in the period		
<i>Current tax</i>		
UK corporation tax at 22.67% (2013: 23.83%)	<u>3</u>	<u>2</u>
Total current tax charge (note 6 (b))	<u><u>3</u></u>	<u><u>2</u></u>
(b) Factors affecting current tax charge in the period		
The current tax assessment for the year is the same as (2013: the same as) the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%)		
Profit on ordinary activities before taxation	<u>13</u>	<u>8</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013: 23.83%)	<u>3</u>	<u>2</u>
Current tax charge for the period	<u><u>3</u></u>	<u><u>2</u></u>

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

7 Stock

	2014	2013
	£000	£000
Work in progress and finished goods	<u><u>62</u></u>	<u><u>-</u></u>

Notes (continued)

8 Debtors

	2014 £000	2013 £000
<i>Due within one year</i>		
Other debtors	5	-
Amounts owed by group undertakings	89	225
	<u>94</u>	<u>225</u>
<i>Amounts owed by group undertakings comprise:</i>		
Trade debtors	3	24
Short term deposits	86	201
	<u>89</u>	<u>225</u>

9 Creditors: amounts falling due within one year

	2014 £000	2013 £000
<i>Due within one year</i>		
Trade creditors	18	32
Amounts owed to group undertakings	-	65
Other creditors including taxation and social security	3	2
Accruals and deferred income	-	1
	<u>21</u>	<u>100</u>
<i>Amounts owed to group undertakings comprise:</i>		
Trade creditors	-	65
	<u>-</u>	<u>65</u>
<i>Other creditors including taxation and social security</i>		
Corporation tax	3	2
	<u>3</u>	<u>2</u>

10 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes (continued)

11 Profit and loss account

	2014	2013
	£000	£000
At beginning of the period	125	119
Profit for the period	10	6
At end of the period	135	125

12 Reconciliation of movement in shareholder's funds

	2014	2013
	£000	£000
Opening shareholder's funds	125	119
Retained profit for the financial period	10	6
Closing shareholder's funds	135	125

13 Ultimate holding company and parent undertaking

The immediate parent undertaking of Lowesmoor 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 Lowesmoor 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.

14 Related party transactions

As the company is a wholly owned subsidiary the company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Cargill, Incorporated, within which the company is included, are publicly available from the address given in note 13.