

**Agricola Group Limited**

**Annual report and financial statements**

**For the year ended 31 December 2016**



---

**Agricola Group Limited**

---

---

**Company Information**

---

<b>Directors</b>	I Gardner N W de Vos (resigned 31 December 2016) A E Traas Y M Knoop S A Steendijk
<b>Company secretary</b>	A E Gillard
<b>Registered number</b>	04026040
<b>Registered office</b>	Horizon House Fred Castle Way Rougham Industrial Estate Rougham Bury St Edmunds IP30 9ND
<b>Independent auditor</b>	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR
<b>Bankers</b>	Lloyds Bank Plc Endeavour house Chivers Way Histon Cambridge CB24 9ZR
<b>Solicitors</b>	Birketts LLP 24-26 Museum Street Ipswich Suffolk IP1 1HZ

---

**Agricola Group Limited**

---

**Contents**

---

	Page
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditor's report to the members of Agricola Group Limited</b>	<b>4 - 5</b>
<b>Statement of comprehensive income</b>	<b>6</b>
<b>Statement of financial position</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 18</b>

---

## Agricola Group Limited

---

### Strategic report For the year ended 31 December 2016

---

#### Introduction

The directors present their Strategic report for the year ended 31 December 2016.

#### Business review

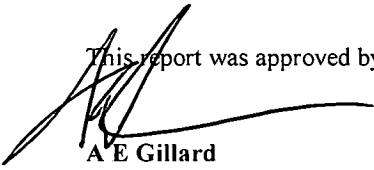
The profit for the year after taxation amounted to £250k (2015 - £150k). The directors do not recommend a final dividend (2015 - £nil). The company's principal activity throughout the year and the preceding year is that of a parent undertaking for a group whose activities continued to be the manufacture and sale of animal feed.

#### Principal risks and uncertainties

##### Liquidity risk

At the year end, the company has net current liabilities of £37.0m (2015 - £37.2m) as a result of the amounts owed to group undertakings. The company has obtained confirmation that the amounts to group undertakings will not be recalled in the foreseeable future and specifically not within at least 12 months of the signed date of these accounts and hence the directors have prepared the financial statements on a going concern basis.

This report was approved by the board and signed on its behalf.



A E Gillard  
Secretary

Date: 28/7/17

**Directors' report**  
**For the year ended 31 December 2016**

---

The directors present their report and the financial statements for the year ended 31 December 2016.

**Directors' responsibilities statement**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Results and dividends**

The profit for the year, after taxation, amounted to £250k (2015 - £150k).

The directors do not recommend a final dividend (2015 - £nil).

**Directors**

The directors who served during the year were:

I Gardner  
N W de Vos (resigned 31 December 2016)  
A E Traas  
Y M Knoop  
S A Steendijk

**Future developments**

The directors anticipate the same level of activity for this business as last year.

---

## Agricola Group Limited

---

### Directors' report (continued) For the year ended 31 December 2016

---

#### Post balance sheet events

On 25th May 2017 the company's subsidiary undertaking, ForFarmers UK Limited, acquired the share capital of Wilde Agriculture Limited. Initial consideration of £750,000 was paid with contingent consideration payable in 2018 and 2019 depending on performance. For the year ending 31st August 2016 the company generated agricultural turnover of £3.2m and profit before tax of £179k.

#### Going concern

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 annual report and financial statements. For additional information regarding going concern please see paragraph 1.2 within the notes to these accounts.

#### Disclosure of information to auditor

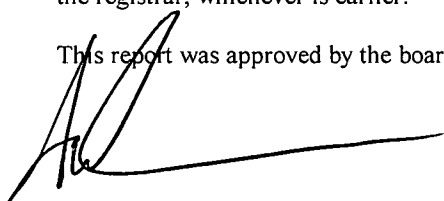
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



**A E Gillard**  
Secretary

Date: 28/7/17

Horizon House  
Fred Castle Way  
Rougham Industrial Estate  
Rougham  
Bury St Edmunds  
IP30 9ND

---

## **Independent auditor's report to the members of Agricola Group Limited**

---

We have audited the financial statements of Agricola Group Limited for the year ended 31 December 2016, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' responsibilities statement 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 Financial Reporting Council'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 website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

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

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

---

**Independent auditor's report to the members of Agricola Group Limited (continued)**

---

**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.



Charles le Strange Meakin (Senior Statutory Auditor)  
for and on behalf of

**KPMG LLP**

Botanic House

100 Hills Road

Cambridge

CB2 1AR

Date:

23<sup>rd</sup> July 2017

---

**Agricola Group Limited**

---

---

**Statement of comprehensive income  
For the year ended 31 December 2016**

---

	Note	2016 £000	2015 £000
Interest payable and similar charges	6	(46)	(46)
<b>Loss before tax</b>		<u>(46)</u>	<u>(46)</u>
Tax credit on loss on ordinary activities	7	296	196
<b>Profit for the year</b>		<u>250</u>	<u>150</u>

There was no other comprehensive income for 2016 (2015 - £nil).

The notes on pages 9 to 18 form part of these financial statements.

Statement of financial position  
As at 31 December 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Investments	8		40,015		40,015
			<u>40,015</u>		<u>40,015</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	9	24,250		23,953	
		<u>24,250</u>		<u>23,953</u>	
Creditors: amounts falling due within one year	10	(61,215)		(61,168)	
		<u>(61,215)</u>		<u>(61,168)</u>	
<b>Net current liabilities</b>			(36,965)		(37,215)
			<u>(36,965)</u>		<u>(37,215)</u>
<b>Total assets less current liabilities</b>			3,050		2,800
Creditors: amounts falling due after more than one year	11		(4,566)		(4,566)
			<u>(4,566)</u>		<u>(4,566)</u>
<b>Net liabilities</b>			<u>(1,516)</u>		<u>(1,766)</u>
<b>Capital and reserves</b>					
Called up share capital	12		101		101
Profit and loss account	13		(1,617)		(1,867)
			<u>(1,617)</u>		<u>(1,867)</u>
<b>Shareholders' deficit</b>			<u>(1,516)</u>		<u>(1,766)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I Gardner

Director

Date:

28th July 2017

The notes on pages 9 to 18 form part of these financial statements.

---

**Agricola Group Limited**

---

**Statement of changes in equity  
For the year ended 31 December 2016**

---

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	101	(1,867)	(1,766)
<b>Comprehensive income for the year</b>			
Profit for the year	-	250	250
<b>Total comprehensive income for the year</b>	-	250	250
<b>At 31 December 2016</b>	101	(1,617)	(1,516)

**Statement of changes in equity  
For the year ended 31 December 2015**

---

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2015	101	(2,017)	(1,916)
<b>Comprehensive income for the year</b>			
Profit for the year	-	150	150
<b>Total comprehensive income for the year</b>	-	150	150
<b>At 31 December 2015</b>	101	(1,867)	(1,766)

The notes on pages 9 to 18 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 December 2016**

---

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Agricola Group Limited is a limited liability company incorporated in England. The registered office is Horizon House, Fred Castle Way, Rougham Industrial Estate, Rougham, Bury St Edmunds, IP30 9ND.

The financial statements are prepared in Sterling which is the functional currency of the company and are rounded to the nearest thousand pounds (£000) except when otherwise stated.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of ForFarmers N.V. The company's financial statements are individual entity financial statements.

The company's parent undertaking, ForFarmers N.V., includes the company in its consolidated financial statements. The consolidated financial statements of ForFarmers N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirement to prepare a statement of cash flows and related notes;
- the requirement to present the compensation of key management personnel.

As the consolidated financial statements of ForFarmers N.V. include the equivalent disclosures, the company has also taken the exemptions under FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

**1.2 Going concern**

At the year end, the company had net current liabilities and net liabilities of £36,965k and £1,516k respectively (2015 - £37,215k and £1,766k), due to amounts owed to other group undertakings. The ultimate parent undertaking has confirmed that it will provide the necessary financial support to settle any amounts due to other group undertakings for the foreseeable future and specifically not within at least 12 months of the signed date of these accounts and hence the directors have prepared the financial statements on a going concern basis.

**Notes to the financial statements  
For the year ended 31 December 2016**

---

**1. Accounting policies (continued)**

**1.3 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**1.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.5 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Notes to the financial statements  
For the year ended 31 December 2016**

---

**1. Accounting policies (continued)**

**1.5 Financial instruments (continued)**

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.6 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.7 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.8 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of obligation.

Provisions are charged as an expense to the Income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**Notes to the financial statements  
For the year ended 31 December 2016**

---

**1. Accounting policies (continued)**

**1.9 Current and deferred taxation**

Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3. Operating profit**

During the year, no director received any emoluments (2015 - £Nil).

**4. Auditor's remuneration**

Auditor's remuneration for the audit of the financial statements of £6,000 (2015 - £6,000) was borne by a subsidiary undertaking.

**5. Employees**

The company has no employees other than the directors. The directors provided no services to the company and there have been no emoluments paid to the directors as a result (2015 - £Nil).

**Notes to the financial statements**  
**For the year ended 31 December 2016**

---

**6. Interest payable and similar charges**

	2016 £000	2015 £000
Fixed preferential dividend payable on preference shares	46	46
	<u>46</u>	<u>46</u>

**7. Taxation**

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on profits for the year	(296)	(299)
Adjustments in respect of previous periods	-	(23)
<b>Total current tax credit</b>	<u>(296)</u>	<u>(322)</u>
<b>Deferred tax</b>		
Adjustments in respect of previous periods	-	115
Re-measurement of deferred tax - change in rates	-	11
<b>Total deferred tax</b>	<u>-</u>	<u>126</u>
<b>Taxation credit on loss on ordinary activities</b>	<u>(296)</u>	<u>(196)</u>

**Notes to the financial statements**  
**For the year ended 31 December 2016**

---

**7. Taxation (continued)**

**Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(46)	(46)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(9)	(9)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9	9
Adjustments to tax charge in respect of prior periods	-	92
Notional interest payable	(296)	(299)
Re-measurement of deferred tax - change in UK tax rate	-	11
<b>Total tax credit for the year</b>	<b>(296)</b>	<b>(196)</b>

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements  
For the year ended 31 December 2016

8. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2016	40,015
At 31 December 2016	40,015
<b>Net book value</b>	
At 31 December 2016	40,015
At 31 December 2015	40,015

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Agricola Holdings Limited	England and Wales	Ordinary	100 %	Intermediate holding company
*ForFarmers UK Limited	England and Wales	Ordinary	100 %	Feed manufacture and sale
*Daisy Hill Pigs (MBF) Limited	England and Wales	Ordinary	100 %	Dormant
*BOCM PAULS Srl	Romania	Ordinary	100 %	Dormant
*BOCM Pauls GmbH	Germany	Ordinary	100 %	Non-trading
*Leaffield Feeds Limited	England and Wales	Ordinary	100 %	Feed manufacture and sale
*Dairy Direct Limited	England and Wales	Ordinary	100 %	Sale of prepared animal feeds
*H.S.T. Feeds Limited	England and Wales	Ordinary	100 %	Non-trading
*Wheyfeed Holdings Limited	England and Wales	Ordinary	100 %	Intermediate holding company
*Wheyfeed Limited	England and Wales	Ordinary	100 %	Transportation of animal feedstuff
*BOCM Pauls LLC	Russia	Ordinary	100 %	Non-trading

\*Indirect subsidiary

On 30 June 2016 ForFarmers UK Limited disposed of its subsidiary Leaffield Feeds Limited.

---

**Agricola Group Limited**

---

**Notes to the financial statements  
For the year ended 31 December 2016**

---

**9. Debtors**

	2016 £000	2015 £000
Amounts owed by group undertakings	24,250	23,635
Other debtors	-	318
	<u>24,250</u>	<u>23,953</u>

**10. Creditors: Amounts falling due within one year**

	2016 £000	2015 £000
Amounts owed to group undertakings	59,133	59,133
Accrued interest payable	2,082	2,035
	<u>61,215</u>	<u>61,168</u>

**11. Creditors: Amounts falling due after more than one year**

	2016 £000	2015 £000
Share capital treated as debt	4,566	4,566
	<u>4,566</u>	<u>4,566</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 12.

**12. Share capital**

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,000,000 Ordinary shares of £0.01 each	100	100
1,000 Deferred shares of £1 each	1	1
	<u>101</u>	<u>101</u>

Notes to the financial statements  
For the year ended 31 December 2016

---

12. Share capital (continued)

	2016 £000	2015 £000
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
374,062,500 (2015: 374,062,500) 'A' Preference shares of £0.01 each	3,741	3,741
82,500,000 'B' Preference shares of £0.01 each	825	825
	<hr/>	<hr/>
	4,566	4,566
	<hr/>	<hr/>

The preferential shares carry an entitlement to a fixed preferential dividend at the rate of 1%.

(i) the order of priority on capital and exit are as follows:

- first, to holders of the 'A' preference shares the issue price of such shares
- second, to holders of the 'B' preference shares all unpaid arrears and accruals of any preference dividends which were frozen at 31 December 2007. The total accrued dividend at the date of conversion was £571,069
- third, to the holders of the 'B' preference shares the issue price of such shares
- fourth, to the holders of the 'A' preference shares all unpaid arrears and accruals of any 'A' preference dividend
- fifth, to the holders of the 'B' preference shares all unpaid arrears and accruals of any 'B' preference dividend
- lastly, distribution to the holders of the ordinary shares on provision that after the first £1m of distribution the nominal value of the deferred shares is returned before the balance is distributed to the ordinary shareholders

(ii) the deferred shares do not have any rights to dividends other than as set out above.

(iii) the deferred shares do not have any voting rights.

13. Reserves

**Profit and loss account**

Reserves consist solely of the company's Profit and loss reserve. The profit and loss reserve movement between 2016 and 2015 relates to the profit generated during the year.

14. Contingent liabilities

There were no contingent liabilities at 31 December 2016 or 31 December 2015.

15. Capital commitments

The company had no capital commitments at 31 December 2016 or 31 December 2015.

**Notes to the financial statements  
For the year ended 31 December 2016**

---

**16. Related party transactions**

The Company has taken advantage of the exemptions conferred by Section 33 and has not disclosed related party transactions for wholly owned Companies within the group.

**17. Ultimate controlling party**

The immediate parent undertaking is ForFarmers UK Holdings Limited, which is incorporated in England and Wales.

The directors consider the ultimate parent undertaking of this company is its parent undertaking, ForFarmers N.V. (previously ForFarmers B.V.) which is incorporated in the Netherlands. The directors consider that the controlling related parties of the company are the directors and management of the ultimate parent undertaking by virtue of their majority shareholding.

The largest and smallest group of undertakings for which group financial statements have been drawn up is headed by ForFarmers N.V. (previously ForFarmers B.V.).

Copies of the group financial statements can be obtained from ForFarmers N.V. (previously ForFarmers B.V.) office at Kwinkweerd 12, NL-7241 CW Lochem, the Netherlands.