

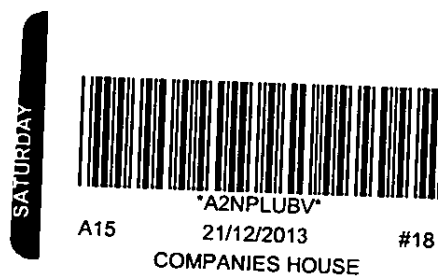
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Ian Mosey (Livestock) Limited

FINANCIAL STATEMENTS

for the year ended

31 August 2013



Ian Mosey (Livestock) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr B I Mosey
Mrs B M Mosey
Mr I J Mosey

SECRETARY

Mrs B M Mosey

REGISTERED OFFICE

Village Farm
Gilling East
York
North Yorkshire
YO62 4JH

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG

Ian Mosey (Livestock) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Ian Mosey (Livestock) Limited for the year ended 31 August 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of farming of swine

REVIEW OF THE BUSINESS

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £3,964,831

Our key performance indicators are as follows

	2013	2012
	£	£
Turnover	<u>44,698,057</u>	<u>32,335,379</u>
Gross profit	<u>7,547,606</u>	<u>6,033,526</u>
Operating profit	<u>1,674,159</u>	<u>1,158,834</u>

FUTURE DEVELOPMENTS

The company will continue to consolidate its business interests and exploit opportunities as they arise

RISKS AND UNCERTAINTIES

The significant risks facing the business relate to movements in the price per kilo of pig meat and fluctuations in the raw material costs for feed. The company mitigates its exposure through arrangements with its customers and forward purchasing of raw materials

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,264,311 (2012 - £857,473). The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Price Risk

The company reviews current trends to manage its exposure to variation in market prices

Credit Risk

The company mainly trades with long standing customers of the group, the nature of these relationships assist management in controlling its credit risk in addition to the normal credit management processes

Liquidity

Management control and monitor the company's cash flow on a regular basis, including forecasting future cash flows

DIRECTORS

The directors who served the company during the year were as follows

Mr B I Mosey
Mrs B M Mosey
Mr I J Mosey

Ian Mosey (Livestock) Limited

DIRECTORS' REPORT

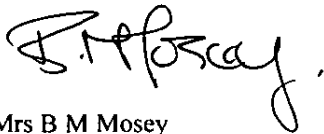
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

By order of the board



Mrs B M Mosey
Company Secretary

Date 19-12-13

Ian Mosey (Livestock) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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).

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (LIVESTOCK) LIMITED

We have audited the financial statements on pages 6 to 14 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)

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 more fully explained in the Directors' Responsibilities Statement 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 (APB'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

[http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 August 2013 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

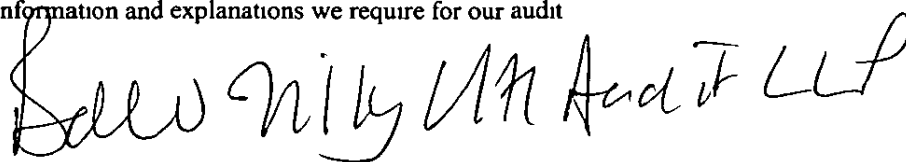
Opinion on other matter prescribed by the Companies Act 2006

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



PAUL BYRNE BSc MBA FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG

Date 20 December 2013

Ian Mosey (Livestock) Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2013

		2013	2012
	<i>Notes</i>	£	£
TURNOVER	2	44,698,057	32,335,379
Cost of sales		(37,150,451)	(26,301,853)
Gross profit		<u>7,547,606</u>	<u>6,033,526</u>
Administrative expenses		(5,873,447)	(4,874,692)
OPERATING PROFIT	3	<u>1,674,159</u>	<u>1,158,834</u>
Interest receivable and similar income		43	—
		<u>1,674,202</u>	<u>1,158,834</u>
Interest payable and similar charges	6	(20,984)	(13,075)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,653,218</u>	<u>1,145,759</u>
Taxation	7	(388,907)	(288,286)
PROFIT FOR THE FINANCIAL YEAR	18	<u><u>1,264,311</u></u>	<u><u>857,473</u></u>

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Ian Mosey (Livestock) Limited

BALANCE SHEET

31 August 2013

	Notes	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		105,999		56,650
CURRENT ASSETS					
Stocks	9	11,028,708		8,442,349	
Debtors	10	2,638,223		1,538,671	
		<u>13,666,931</u>		<u>9,981,020</u>	
CREDITORS					
Amounts falling due within one year	11	<u>(9,790,907)</u>		<u>(7,319,568)</u>	
NET CURRENT ASSETS			<u>3,876,024</u>		<u>2,661,452</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,982,023</u>		<u>2,718,102</u>
CREDITORS					
Amounts falling due after more than one year	12		(14,495)		(14,569)
PROVISIONS FOR LIABILITIES	14		<u>(2,697)</u>		<u>(3,013)</u>
			<u>3,964,831</u>		<u>2,700,520</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account	18		<u>3,964,731</u>		<u>2,700,420</u>
SHAREHOLDERS' FUNDS	19		<u>3,964,831</u>		<u>2,700,520</u>

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 17/11/13 and are signed on their behalf by



Mr B.J. Mosey
Director

Ian Mosey (Livestock) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

GOING CONCERN

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the company's resources, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 15% to 20% on a reducing balance basis
Motor Vehicles	- 25% on a reducing balance basis

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Ian Mosey (Livestock) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 ACCOUNTING POLICIES *(continued)*

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

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2013	2012
	£	£
United Kingdom	<u>44,698,057</u>	<u>32,335,379</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	2013	2012
	£	£
Depreciation of owned fixed assets	6,575	2,130
Depreciation of assets held under hire purchase agreements	12,535	5,818
Auditor's remuneration for statutory audit	<u>5,000</u>	<u>5,000</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was.

	2013	2012
	No	No
Number of production staff	17	16
Number of management staff	<u>1</u>	<u>1</u>
	<u>18</u>	<u>17</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	573,128	583,019
Social security costs	<u>61,553</u>	<u>58,047</u>
	<u>634,681</u>	<u>641,066</u>

Ian Mosey (Livestock) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Remuneration receivable	<u>96,030</u>	<u>83,884</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
On bank loans and overdrafts	20,984	12,400
On other loans	–	675
	<u>20,984</u>	<u>13,075</u>

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 23 58% (2012 – 25 16%)	390,405	288,171
Over/under provision in prior year	(1,182)	1
Total current tax	<u>389,223</u>	<u>288,172</u>
Deferred tax		
Origination and reversal of timing differences	(316)	114
Tax on profit on ordinary activities	<u>388,907</u>	<u>288,286</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23 58% (2012 – 25 16%), as explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>1,653,218</u>	<u>1,145,759</u>
Profit on ordinary activities by rate of tax	389,842	288,318
Effects of		
Expenses not deductible for tax purposes	654	232
Capital allowances for period in excess of depreciation	(91)	(379)
Adjustments to tax charge in respect of previous periods	(1,182)	1
Total current tax (note 7(a))	<u>389,223</u>	<u>288,172</u>

Ian Mosey (Livestock) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

8 TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 September 2012	3,696	22,770	42,502	68,968
Additions	—	94,360	—	94,360
Disposals	—	(25,901)	—	(25,901)
At 31 August 2013	<u>3,696</u>	<u>91,229</u>	<u>42,502</u>	<u>137,427</u>
Depreciation				
At 1 September 2012	—	3,482	8,836	12,318
Charge for the year	—	10,694	8,416	19,110
At 31 August 2013	<u>—</u>	<u>14,176</u>	<u>17,252</u>	<u>31,428</u>
Net book value				
At 31 August 2013	<u>3,696</u>	<u>77,053</u>	<u>25,250</u>	<u>105,999</u>
At 31 August 2012	<u>3,696</u>	<u>19,288</u>	<u>33,666</u>	<u>56,650</u>

Hire purchase agreements

Included within the net book value of £105,999 is £71,031 (2012 - £33,666) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £12,535 (2012 - £5,818).

9 STOCKS

	2013 £	2012 £
Stock	10,359,598	7,852,737
Raw materials	669,110	589,612
	<u>11,028,708</u>	<u>8,442,349</u>

10 DEBTORS

	2013 £	2012 £
Trade debtors	2,380,196	1,378,354
Other debtors	189,254	139,130
Prepayments and accrued income	68,773	21,187
	<u>2,638,223</u>	<u>1,538,671</u>

Ian Mosey (Livestock) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

11 CREDITORS Amounts falling due within one year

	2013	2012
	£	£
Bank overdrafts and similar finance	2,457,265	1,417,198
Trade creditors	1,505,068	908,683
Amounts due to group undertakings	5,608,384	4,800,521
Amounts due to related undertakings	4,476	–
Corporation tax	186,693	137,341
Other taxation and social security	11,614	18,583
Obligations under hire purchase agreements	17,407	12,391
Accruals and deferred income	–	24,851
	<u>9,790,907</u>	<u>7,319,568</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013	2012
	£	£
Bank overdrafts	2,457,265	1,417,198
Obligations under hire purchase agreements	17,407	12,391
	<u>2,474,672</u>	<u>1,429,589</u>

The bank overdraft and similar finance is secured by way of a floating charge over the assets of the company and a specific charge against the debts to which it relates

Obligations under hire purchase agreements are secured against the asset to which they relate

12 CREDITORS Amounts falling due after more than one year

	2013	2012
	£	£
Obligations under hire purchase agreements	<u>14,495</u>	<u>14,569</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013	2012
	£	£
Obligations under hire purchase agreements	<u>14,495</u>	<u>14,569</u>

Obligations under hire purchase agreements are secured against the asset to which they relate

13 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2013	2012
	£	£
Amounts payable within 1 year	17,407	12,391
Amounts payable between 2 to 5 years	14,495	14,569
	<u>31,902</u>	<u>26,960</u>

Ian Mosey (Livestock) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance brought forward	3,013
Profit and Loss Account movement arising during the year	(316)
Balance carried forward	<u>2,697</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	2,697	3,013
	<u>2,697</u>	<u>3,013</u>

15 CONTINGENCIES

The company has guaranteed liabilities of its parent company, Ian Mosey Limited, and fellow subsidiary, Ian Mosey (Feed) Limited. The guarantees are in respect of bank borrowings which at the period end amounted to £598,734 (2012 - £829,284) in relation to Ian Mosey Limited and £549,704 (2012 - £541,621) in relation to Ian Mosey (Feed) Limited. Bank borrowings are secured by way of a charge over the assets of the company.

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 Related Party Transactions not to disclose transactions with other group entities.

During the year, the company traded with the B I & B M Partnership (the "partnership"), a partnership that comprises the directors of Ian Mosey Limited, on an arm's length basis.

The total purchases from the partnership during the year amounted to £49,285 (2012 - £46,704). At the year end, trade creditors included £4,476 (2012 - £4,704) due to the partnership.

17 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At the beginning of the year	2,700,420	1,842,947
Profit for the financial year	1,264,311	857,473
At the end of the year	<u>3,964,731</u>	<u>2,700,420</u>

Ian Mosey (Livestock) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	1,264,311	857,473
Opening shareholders' funds	2,700,520	1,843,047
Closing shareholders' funds	<u>3,964,831</u>	<u>2,700,520</u>

20 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Ian Mosey Limited, a company registered in England and Wales

The ultimate controlling parties are the directors of Ian Mosey Limited

The consolidated financial statements for Ian Mosey Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ