

Company Registration No. 06833157 (England and Wales)

**IAN MOSEY (LIVESTOCK) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2016**

COMPANIES HOUSE  
31 MAY 2017  
EDINBURGH FRONT DESK

WEDNESDAY

SCT

\*S67M29SO\*

31/05/2017

COMPANIES HOUSE

#188

# IAN MOSEY (LIVESTOCK) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr B I Mosey Mrs B M Mosey Mr I J Mosey
<b>Secretary</b>	Mrs B M Mosey
<b>Company number</b>	06833157
<b>Registered office</b>	Village Farm Gilling East York North Yorkshire YO62 4JH
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 2 Whitehall Quay Leeds LS1 4HG

IAN MOSEY (LIVESTOCK) LIMITED  
06833157  
Village Farm  
Gilling East  
York  
North Yorkshire  
YO62 4JH  
RSM UK Audit LLP  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
LS1 4HG

# IAN MOSEY (LIVESTOCK) LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

---

The directors present the strategic report for the year ended 31 August 2016.

### Review of the business

The company's balance sheet as detailed on page 6 shows a satisfactory position with shareholder's funds amounting to £5,905,430.

Our key performance indicators are as follows:

	2016	2015
	£	£
Turnover	63,466,102	57,970,291
Gross profit	12,337,920	10,815,811
Operating profit	1,546,738	1,733,597

### 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.

### 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.

On behalf of the board



Mr B I Mosey

Director

26/5/2017

# IAN MOSEY (LIVESTOCK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

---

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

#### Principal activities

The principal activity of the company during the year was that of farming of swine.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

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

#### Results and dividends

The results for the year are set out on page 5.

Particulars of interim dividends paid are detailed in note 11 to the financial statements. The directors do not recommend payment of a final dividend.

#### Directors' insurance

Third party director indemnity insurance is in place for the benefit of the directors.

#### Future developments

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

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr B I Mosey

Director

26/8/2017

# **IAN MOSEY (LIVESTOCK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

---

The directors are responsible for preparing the Strategic Report and 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IAN MOSEY (LIVESTOCK) LIMITED**

---

### **Opinion on financial statements**

We have audited the financial statements on pages 5 to 22. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 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.

### **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/auditscopeukprivate>

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

In our opinion 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.

### **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.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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.

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.

*RSM UK Audit LLP*

Michael Thornton (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds

LS1 4HG

31 May 2017

# IAN MOSEY (LIVESTOCK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

---

	Notes	2016 £	2015 £
Turnover	3	63,466,102	57,970,291
Cost of sales		(51,128,182)	(47,154,480)
<b>Gross profit</b>		<b>12,337,920</b>	<b>10,815,811</b>
Administrative expenses		(10,791,182)	(9,082,214)
<b>Operating profit</b>	6	<b>1,546,738</b>	<b>1,733,597</b>
Interest receivable and similar income	8	-	388
Interest payable and similar charges	9	(1,190)	(4,301)
<b>Profit before taxation</b>		<b>1,545,548</b>	<b>1,729,684</b>
Taxation	10	(288,535)	(364,012)
<b>Profit for the financial year</b>	25	<b>1,257,013</b>	<b>1,365,672</b>

---

**IAN MOSEY (LIVESTOCK) LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		329,007		259,704
Investments	13		100		100
			<u>329,107</u>		<u>259,804</u>
<b>Current assets</b>					
Stocks	14, 15	16,785,804		14,248,970	
Debtors	16	3,851,968		3,745,590	
Cash at bank and in hand		268		-	
		<u>20,638,040</u>		<u>17,994,560</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(15,038,069)</u>		<u>(13,569,584)</u>	
<b>Net current assets</b>			<u>5,599,971</u>		<u>4,424,976</u>
<b>Total assets less current liabilities</b>			<u>5,929,078</u>		<u>4,684,780</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(7,961)		-
<b>Provisions for liabilities</b>	21		<u>(15,687)</u>		<u>(36,363)</u>
<b>Net assets</b>			<u><u>5,905,430</u></u>		<u><u>4,648,417</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		100		100
Profit and loss reserves	25		<u>5,905,330</u>		<u>4,648,317</u>
<b>Total equity</b>			<u><u>5,905,430</u></u>		<u><u>4,648,417</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26/5/2017 and are signed on its behalf by:

  
 Mr B I Mosey  
 Director



# IAN MOSEY (LIVESTOCK) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2014</b>		100	5,782,645	5,782,745
<b>Year ended 31 August 2015:</b>				
Profit and total comprehensive income for the year		-	1,365,672	1,365,672
Dividends	11	-	(2,500,000)	(2,500,000)
<b>Balance at 31 August 2015</b>		100	4,648,317	4,648,417
<b>Year ended 31 August 2016:</b>				
Profit and total comprehensive income for the year		-	1,257,013	1,257,013
<b>Balance at 31 August 2016</b>		100	5,905,330	5,905,430

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

#### Company information

Ian Mosey (Livestock) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### First time adoption of FRS 102

These financial statements are the first financial statements of Ian Mosey (Livestock) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Ian Mosey (Livestock) Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ian Mosey Limited. These consolidated financial statements are available from its registered office, Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies (Continued)

#### 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.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. Turnover is recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attached to the product, have been transferred to the customer.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	No depreciation charged
Plant and machinery	15% to 20% on a reducing balance basis
Fixtures & fittings	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies (Continued)

##### **Biological assets**

Biological assets of livestock within stock, comprising of weaner and fatterer pigs only, are valued under the cost model in accordance with Section 34 of FRS 102, using the lower of cost and estimated selling price less costs to complete and sell method.'

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts due from fellow group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies (Continued)

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, amounts due to group undertakings and bank overdrafts, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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.

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.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies (Continued)

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from the company in an independently administered fund. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 2 Judgements and key sources of estimation uncertainty (Continued)

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

##### **Stock provisioning**

The company farms swine and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 14 for the net carrying amount of the stock.

##### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

##### **Stock valuation and standard costing**

The company applies a standard cost to the items of stock held at the year end which is based on the estimated costs to the company of processing the livestock. The company estimates the cost of raw materials, delivery and rearing before adjusting these costs for the expected useful yield of the livestock. See note 15 for the carrying amount of the stocks.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover analysed by class of business</b>		
Farming of swine	63,466,102	57,970,291
	<u>          </u>	<u>          </u>
<b>Other revenue</b>		
Interest income	-	388
	<u>          </u>	<u>          </u>
<b>Turnover analysed by geographical market</b>		
	2016 £	2015 £
United Kingdom	63,466,102	57,970,291
	<u>          </u>	<u>          </u>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Production staff	31	23
Management staff	3	2
	<u>34</u>	<u>25</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,102,583	800,030
Social security costs	112,827	91,374
Pension costs	8,018	190,000
	<u>1,223,428</u>	<u>1,081,404</u>

### 5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	83,828	80,958
Company pension contributions to defined contribution schemes	675	190,000
	<u>84,503</u>	<u>270,958</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

### 6 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	53,195	30,597
Depreciation of tangible fixed assets held under finance leases	3,032	12,930
Profit on disposal of tangible fixed assets	(14,374)	(14,577)
Cost of stocks recognised as an expense	49,761,676	45,313,695
Impairment of stocks recognised or reversed	-	899,753
Operating lease charges	5,373	2,712
	<u></u>	<u></u>



# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's financial statements	7,000	5,500
<b>For other services</b>		
Taxation compliance services	3,500	3,500
All other non-audit services	2,500	2,000
	6,000	5,500

### 8 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Other interest income	-	388

### 9 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	1,190	4,301

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	309,211	348,460
Adjustments in respect of prior periods	-	(17,706)
<b>Total current tax</b>	<b>309,211</b>	<b>330,754</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	316	27,268
Changes in tax rates	(2,713)	-
Adjustment in respect of prior periods	(18,279)	5,990
<b>Total deferred tax</b>	<b>(20,676)</b>	<b>33,258</b>
<b>Total tax charge</b>	<b>288,535</b>	<b>364,012</b>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	1,545,548	1,729,684
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.58%)	309,110	355,983
Tax effect of expenses that are not deductible in determining taxable profit	57	761
Adjustments in respect of prior years	(18,279)	(11,716)
Effect of change in corporation tax rate	(2,353)	(233)
Deferred tax not provided	-	19,217
<b>Tax expense for the year</b>	<b>288,535</b>	<b>364,012</b>

### 11 Dividends

	2016 £	2015 £
Interim paid	-	2,500,000

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 12 Tangible fixed assets

	Freehold land	Plant and machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2015	3,696	242,721	24,631	74,172	345,220
Additions	-	140,613	-	35,179	175,792
Disposals	-	(69,900)	-	-	(69,900)
At 31 August 2016	3,696	313,434	24,631	109,351	451,112
<b>Depreciation and impairment</b>					
At 1 September 2015	-	50,175	6,333	29,008	85,516
Depreciation charged in the year	-	35,264	4,575	16,388	56,227
Eliminated in respect of disposals	-	(19,638)	-	-	(19,638)
At 31 August 2016	-	65,801	10,908	45,396	122,105
<b>Carrying amount</b>					
At 31 August 2016	3,696	247,633	13,723	63,955	329,007
At 31 August 2015	3,696	192,546	18,298	45,164	259,704

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2016 £	2015 £
Plant and machinery	14,650	30,645
Motor vehicles	17,761	22,565
	<u>32,411</u>	<u>53,210</u>
Depreciation charge for the year in respect of leased assets	<u>3,032</u>	<u>12,930</u>

#### 13 Fixed asset investments

	2016 £	2015 £
Unlisted investments	<u>100</u>	<u>100</u>

The company held a minor holding of 0.18% in the share capital of Meadow Quality Limited during the year. The holding gives rise to no controlling interest and therefore in the opinion of the directors the results are excluded from Ian Mosey (Livestock) Limited. At the year end, Meadow Quality Limited had aggregate capital and reserves of £1,335,303 (2015 - £1,303,400) and made a profit for the year of £57,866 (2015 - £55,963).

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 September 2015 & 31 August 2016	100
<b>Carrying amount</b>	
At 31 August 2016	100
At 31 August 2015	100

### 14. Stocks

	Notes	2016 £	2015 £
Raw materials and consumables		861,414	819,285
Biological assets	15	15,924,390	13,429,685
		<u>16,785,804</u>	<u>14,248,970</u>

During the year, an impairment loss on finished goods of £nil (2015 - £899,753) was recognised within cost of sales. During the current year this stock write down has been utilised.

### 15 Biological assets

	2016 £	2015 £
<b>Cost</b>		
At 1 September	13,429,685	11,155,087
Purchases	51,174,546	39,960,158
Sales	(46,869,594)	(35,583,150)
Deaths	(1,810,247)	(1,202,657)
Impairment losses	-	(899,753)
At 31 August	<u>15,924,390</u>	<u>13,429,685</u>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,463,837	3,034,438
Corporation tax recoverable	-	71,006
Amounts owed by group undertakings	-	131,332
Other debtors	350,081	344,627
Prepayments and accrued income	38,050	164,187
	<u>3,851,968</u>	<u>3,745,590</u>

### 17 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	19	490,032	808,240
Obligations under finance leases	20	13,205	4,446
Trade creditors		1,456,424	1,565,802
Amounts due to group undertakings		12,660,499	10,847,017
Corporation tax		298,858	-
Other taxation and social security		31,476	25,274
Other creditors		1,600	533
Accruals and deferred income		85,975	318,272
		<u>15,038,069</u>	<u>13,569,584</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	20	<u>7,961</u>	<u>-</u>

### 19 Borrowings

	2016 £	2015 £
Bank overdrafts	<u>490,032</u>	<u>808,240</u>
Payable within one year	<u>490,032</u>	<u>808,240</u>

The bank overdrafts are secured by way of a composite guarantee entered into by all group companies.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 20 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Less than one year	13,205	4,446
Between one and five years	7,961	-
	<u>21,166</u>	<u>4,446</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

### 21 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	22	15,687	36,363
		<u>15,687</u>	<u>36,363</u>

### 22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Excess of taxation allowances over depreciation on fixed assets	15,940	36,363
Short term timing differences	(253)	-
	<u>15,687</u>	<u>36,363</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 September 2015		36,363
Credit to profit and loss		(20,676)
Liability at 31 August 2016		<u>15,687</u>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 23 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	8,018	190,000

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 24 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

#### Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 25 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 26 Financial commitments, guarantees and contingent liabilities

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 £270,472 (2015 - £2,315,837) in relation to Ian Mosey Limited and £1,731,635 (2015 - £804,713) in relation to Ian Mosey (Feed) Limited.

### 27 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	3,752	2,930
Between one and five years	2,361	2,440
	6,113	5,370

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of tangible fixed assets	109,750	-

#### 29 Related party transactions

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 £44,074 (2015 - £55,848). At the year end, creditors included an amount of £4,409 (2015 - £5,525) due to the partnership.

#### 30 Controlling party

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

The smallest and largest group for which consolidated accounts including Ian Mosey (Livestock) Limited are prepared is that headed by Ian Mosey Limited. The consolidated financial statements for Ian Mosey Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.