

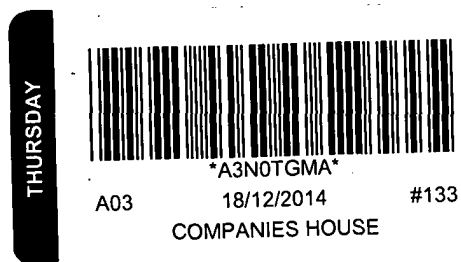
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# Ian Mosey (Livestock) Limited

## FINANCIAL STATEMENTS

for the year ended

31 August 2014



# Ian Mosey (Livestock) Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### 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

## STRATEGIC REPORT

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### REVIEW OF THE BUSINESS

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £5,782,745.

Our key performance indicators are as follows:

	2014	2013
	£	£
Turnover	59,496,503	44,698,057
Gross profit	11,722,591	7,547,606
Operating profit	4,290,368	1,674,159

### 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.

### 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.

By order of the board



Mr B I Mosey  
Director

Date: 16 December 2014

# Ian Mosey (Livestock) Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Ian Mosey (Livestock) Limited for the year ended 31 August 2014.

### PRINCIPAL ACTIVITIES

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,317,914. Particulars of dividends paid are detailed in note 8 to the financial statements.

### 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

3<sup>rd</sup> party director indemnity insurance is in place for the benefit of the directors

### 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



Mr B I Mosey  
Director

Date: 16 December 2014

# Ian Mosey (Livestock) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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

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We have audited the financial statements on pages 6 to 16. 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 [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 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.

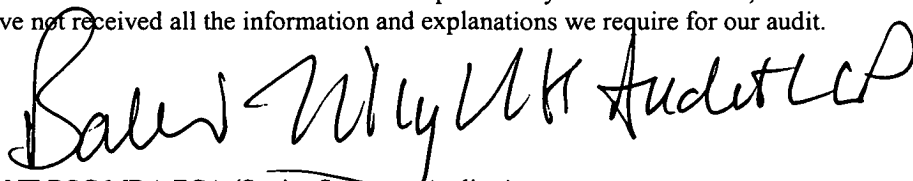
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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.



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: 17 December 2014

# Ian Mosey (Livestock) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER	2	59,496,503	44,698,057
Cost of sales		(47,773,912)	(37,150,451)
Gross profit		11,722,591	7,547,606
Administrative expenses		(7,432,223)	(5,873,447)
OPERATING PROFIT	3	4,290,368	1,674,159
Interest receivable and similar income		46	43
		4,290,414	1,674,202
Interest payable and similar charges	6	(10,932)	(20,984)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,279,482	1,653,218
Taxation	7	(961,568)	(388,907)
PROFIT FOR THE FINANCIAL YEAR	21	3,317,914	1,264,311

The turnover and operating 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 2014

	Notes	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	9		123,386		105,999
Investments	10		100		—
			<u>123,486</u>		<u>105,999</u>
<b>CURRENT ASSETS</b>					
Stocks	11	11,851,965		11,028,708	
Debtors	12	3,071,498		2,638,223	
		<u>14,923,463</u>		<u>13,666,931</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	(9,256,653)		(9,790,907)	
<b>NET CURRENT ASSETS</b>			<u>5,666,810</u>		<u>3,876,024</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,790,296</u>		<u>3,982,023</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(4,446)		(14,495)
<b>PROVISIONS FOR LIABILITIES</b>	16		(3,105)		(2,697)
			<u>5,782,745</u>		<u>3,964,831</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		100		100
Profit and loss account	21		5,782,645		3,964,731
<b>SHAREHOLDERS' FUNDS</b>	22		<u>5,782,745</u>		<u>3,964,831</u>

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 16 December 2014 and are signed on their behalf by:



Mr B I Mosey  
Director



# Ian Mosey (Livestock) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 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.

#### INVESTMENTS

Fixed asset investments are stated at cost in the balance sheet. Provision is made for any impairment in the value of fixed asset investments.

#### CONSOLIDATION

The company was, at the end of the year, a wholly owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### 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
Fixtures & Fittings	-	15% 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.

# Ian Mosey (Livestock) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 1 ACCOUNTING POLICIES *(continued)*

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### 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.

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:

	2014	2013
	£	£
United Kingdom	<u>59,496,503</u>	<u>44,698,057</u>

### 3 OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	8,830	6,575
Depreciation of assets held under hire purchase agreements	14,056	12,535
Loss on disposal of fixed assets	5,968	–
Auditor's remuneration for statutory audit	5,500	5,000
Operating lease costs:		
- Plant and equipment	<u>2,250</u>	<u>–</u>

**Ian Mosey (Livestock) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**4 PARTICULARS OF EMPLOYEES**

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

	2014	2013
	No	No
Number of production staff	20	17
Number of management staff	1	1
	<u>21</u>	<u>18</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	670,699	573,128
Social security costs	67,933	61,553
	<u>738,632</u>	<u>634,681</u>

**5 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	<u>72,709</u>	<u>96,030</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
On bank loans and overdrafts	<u>10,932</u>	<u>20,984</u>

**7 TAXATION ON ORDINARY ACTIVITIES**

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22% (2013 - 23%)	962,478	390,405
Over/under provision in prior year	(1,318)	(1,182)
Total current tax	961,160	389,223
Deferred tax:		
Origination and reversal of timing differences	408	(316)
Tax on profit on ordinary activities	<u>961,568</u>	<u>388,907</u>

# Ian Mosey (Livestock) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22.42% (2013 – 23.58%), as explained below

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>4,279,482</u>	<u>1,653,218</u>
Profit on ordinary activities by standard rate of tax	959,350	389,842
Effects of:		
Expenses not deductible for tax purposes	-	654
Capital allowances for period in excess of depreciation	3,049	(91)
Adjustments to tax charge in respect of previous periods	(1,318)	(1,182)
Rounding on tax charge	79	-
Total current tax (note 7(a))	<u>961,160</u>	<u>389,223</u>

### 8 DIVIDENDS

#### Equity dividends

	2014	2013
	£	£
Dividends on equity shares £15,000 (2013: £nil) per share	<u>1,500,000</u>	<u>-</u>

**Ian Mosey (Livestock) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**9 TANGIBLE FIXED ASSETS**

	Freehold Land £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 September 2013	3,696	91,229	–	42,502	137,427
Additions	–	14,623	15,804	21,019	51,446
Disposals	–	(5,391)	–	(18,107)	(23,498)
At 31 August 2014	<u>3,696</u>	<u>100,461</u>	<u>15,804</u>	<u>45,414</u>	<u>165,375</u>
Depreciation					
At 1 September 2013	–	14,176	–	17,252	31,428
Charge for the year	–	12,798	1,687	8,401	22,886
On disposals	–	(1,999)	–	(10,326)	(12,325)
At 31 August 2014	<u>–</u>	<u>24,975</u>	<u>1,687</u>	<u>15,327</u>	<u>41,989</u>
Net book value					
At 31 August 2014	<u>3,696</u>	<u>75,486</u>	<u>14,117</u>	<u>30,087</u>	<u>123,386</u>
At 31 August 2013	<u>3,696</u>	<u>77,053</u>	<u>–</u>	<u>25,250</u>	<u>105,999</u>

**Hire purchase agreements**

Included within the net book value of £123,386 is £66,140 (2013 - £71,031) 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 £14,056 (2013 - £12,535).

**10 INVESTMENTS**

**Unlisted investments**

	£
Cost	
Additions	100
At 31 August 2014	<u>100</u>
Net book value	
At 31 August 2014	<u>100</u>
At 31 August 2013	<u>–</u>

The company has acquired a minor holding 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.

	2014 £	2013 £
Aggregate capital and reserves		
Meadow Quality Limited	1,246,237	–
Profit and (loss) for the year		
Meadow Quality Limited	(88,630)	–

**Ian Mosey (Livestock) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**11 STOCKS**

	2014	2013
	£	£
Stock	11,155,087	10,359,598
Raw materials	696,878	669,110
	<u>11,851,965</u>	<u>11,028,708</u>

**12 DEBTORS**

	2014	2013
	£	£
Trade debtors	2,796,464	2,380,196
VAT recoverable	228,659	189,254
Prepayments and accrued income	46,375	68,773
	<u>3,071,498</u>	<u>2,638,223</u>

**13 CREDITORS: Amounts falling due within one year**

	2014	2013
	£	£
Bank overdrafts	739,151	2,457,265
Trade creditors	1,654,565	1,505,068
Amounts owed to group undertakings	6,444,638	5,608,384
Amounts owed to related undertakings	4,961	4,476
Corporation tax	278,894	186,693
Other taxation and social security	19,602	11,614
Obligations under hire purchase agreements	20,632	17,407
Accruals and deferred income	94,210	—
	<u>9,256,653</u>	<u>9,790,907</u>

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

	2014	2013
	£	£
Bank overdrafts	739,151	2,457,265
Obligations under hire purchase agreements	20,632	17,407
	<u>759,783</u>	<u>2,474,672</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.

**14 CREDITORS: Amounts falling due after more than one year**

	2014	2013
	£	£
Obligations under hire purchase agreements	<u>4,446</u>	<u>14,495</u>

# Ian Mosey (Livestock) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2014

#### 14 CREDITORS: Amounts falling due after more than one year *(continued)*

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

	2014	2013
	£	£
Obligations under hire purchase agreements	4,446	14,495

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

#### 15 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2014	2013
	£	£
Amounts payable within 1 year	20,632	17,407
Amounts payable between 2 to 5 years	4,446	14,495
	<u>25,078</u>	<u>31,902</u>

#### 16 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
Balance brought forward	2,697
Profit and Loss Account movement arising during the year	408
Balance carried forward	<u>3,105</u>

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

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	3,105	2,697
	<u>3,105</u>	<u>2,697</u>

#### 17 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings
	2014
	£
Operating leases which expire:	
Within 2 to 5 years	<u>2,640</u>

# Ian Mosey (Livestock) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 18 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 £335,573 (2013 - £598,734) in relation to Ian Mosey Limited and £961,408 (2013 - £549,704) in relation to Ian Mosey (Feed) Limited. Bank borrowings are secured by way of a charge over the assets of the company.

### 19 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 £42,223 (2013 - £49,285). At the year end, creditors included £4,961 (2013 - £4,476) due to the partnership.

### 20 SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	100	100

### 21 PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
At the beginning of the year	3,964,731	2,700,420
Profit for the financial year	3,317,914	1,264,311
Dividends	(1,500,000)	—
At the end of the year	<u>5,782,645</u>	<u>3,964,731</u>

### 22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	3,317,914	1,264,311
Dividends	(1,500,000)	—
Net addition to shareholders' funds	<u>1,817,914</u>	<u>1,264,311</u>
Opening shareholders' funds	3,964,831	2,700,520
Closing shareholders' funds	<u>5,782,745</u>	<u>3,964,831</u>

### 23 CAPITAL COMMITMENTS

Amounts contracted to purchase fixed assets but not provided in the financial statements amounted to £76,796 (2013 - £Nil).



**Ian Mosey (Livestock) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**24 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.