Cargill Poultry Limited

Directors' report and financial statements

31 May 2017

Registered number 00170526

Contents

Directors' report

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 May 2017.

Principal activities

The principal activity of the company is poultry import and distribution business.

Business review and summary results

The directors consider the key performance indicators for the business to be turnover and profit.

Summarised results are given below:

	2017	2016
	£000	£000
Turnover	**628**	523
Profit after taxation for the financial year	**7**	8

Dividends

During the year the company neither declared nor paid a dividend *(2016: £nil)*.

Policy and practice on payment of creditors

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

Directors

The directors who served during the year and at the report date were

P M Allan

M Thompson

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL

M Thompson
Director
10 November 2017

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Cargill Poultry Limited

We have audited the financial statements of Cargill Poultry Limited for the year ended 31 May 2017 set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its profit for year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Anthony Hambleton

Anthony Hambleton *(Senior Statutory Auditor)*
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ
15 November 2017

Profit and loss account
for the year ended 31 May 2017

	Note	2017 £000	2016 £000
Turnover	2	**628**	523
Cost of sales		**(612)**	(512)
Gross profit		**16**	11
Administrative expenses		**(8)**	(2)
Operating profit		**8**	9
Other interest receivable and similar income	4	**1**	1
Profit before taxation		**9**	10
Tax on profit	6	**(2)**	(2)
Profit for the financial year		**7**	8

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

Statement of total other comprehensive income
for the year ended 31 May 2017

	2017 £000	2016 £000
Profit for the financial year	**7**	8
Total comprehensive income	**7**	8

The notes on pages 7 to 13 form part of the financial statements.

Balance sheet
at 31 May 2017

	Note	**2017**	2016
		£000	£000
Current assets			
Debtors	*7*	**342**	345
		342	345
Creditors: amounts falling due within one year	*8*	**(5)**	(15)
Net assets		**337**	330
Capital and reserves			
Called up share capital	*9*	**253**	253
Profit and loss account		**84**	77
Shareholder's funds		**337**	330

The notes on pages 7 to 13 form part of the financial statements.

These financial statements were approved by the board of directors on 10 November 2017 and were signed on its behalf by:

M Thompson
Director

Registered number 00170526

Statement of changes in equity
for the year ended 31 May 2016

	Share capital £000	Profit and loss account £000	Total £000
At 1 June 2016	253	77	330
Profit for the financial year	-	7	7
At 31 May 2017	**253**	**84**	**337**

for the year ended 31 May 2016

	Share capital £000	Profit and loss account £000	Total £000
At 1 June 2016	253	77	330
Profit for the financial year	-	7	7
At 31 May 2017	**253**	**84**	**337**

The notes on pages 7 to 13 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Statement of compliance

Cargill Poultry Limited is a limited liability company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 00170526 and the registered office is Velocity V1, Brooklands Drive, Weybridge, Surrey KY13 0SL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 11. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- The disclosures required by 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. As the company is profitable and has sufficient net assets to trade the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover, all of which arose from the company's principal activity, represents the amounts, excluding Value Added Tax, derived from the provision of goods and services to customers during the year. Revenue is only recognised when the goods are delivered and when the risks and rewards of ownership pass to the buyer.

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Basic financial instruments

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Classification of financial instruments issued by the company

In accordance with FRS102.22 financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Notes *(continued)*

2 Segmental analysis

Analysis by geographical segment

In both the current and preceding years all of the company's sales and operating profits originated in the United Kingdom and Europe. An analysis of turnover by geographical destination is shown below:

	2017	2016
	£000	£000
UK	**504**	310
Rest of Europe	**124**	213
Turnover	**628**	523

3 Staff numbers and costs

There were no employees during the year. The directors are remunerated by other companies within the group. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company.

4 Other interest receivable and similar income

	2017	2016
	£000	£000
Amounts derived from group companies	**1**	1

5 Expenses and auditor's remuneration

	2017	2016
	£000	£000
Auditor's remuneration:		
Audit of these financial statements	**1**	1

Notes *(continued)*

6 Taxation

Total tax expense recognised in the profit and loss account

	2017	2016
	£000	£000
Current tax		
UK corporation tax at 19.83% *(2016: 20.00%)*	**2**	2
Total tax	**2**	2

Reconciliation of effective tax rate

	2017	2016
	£000	£000
Profit for the year	**7**	8
Total tax expense	**2**	2
Profit excluding taxation	**9**	10
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.83% *(2016: 20.00%)*	**2**	2
Total tax charge for the year	**2**	2

Factors that may affect future current and total tax charges

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19.00% was enacted on 26 October 2015 and applied from 1 April 2017.

A further reduction to the main rate of corporation tax to 17% will apply from 1 April 2020 and was substantively enacted on 15 September 2016.

This reduces the company's future current tax rate accordingly.

Notes *(continued)*

7 Debtors

	2017	2016
	£000	£000
Due within one year		
Other debtors	**1**	-
Amounts owed by group undertakings	**341**	345
	342	345
Amounts owed by group undertakings comprise:		
Trade debtors	**114**	23
Short term deposits	**227**	322
	341	345

8 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Due within one year		
Amounts owed to group undertakings - trade creditors	**3**	13
Corporation tax	**2**	2
	5	15

9 Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
250,000 deferred shares of £1 each	**250,000**	250,000
250,000 deferred shares of 1p each	**2,500**	2,500
25,000 ordinary shares of 1p each	**250**	250
	252,750	252,750

Notes *(continued)*

10 Related parties

As the company was a wholly owned subsidiary of Cargill, Incorporated at 31 May 2017 the company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group headed by Cargill, Incorporated.

11 Ultimate holding company and parent undertaking

The immediate parent undertaking of Cargill Poultry Limited is Cargill PLC, a company incorporated in Great Britain and registered in England and Wales. Cargill, Incorporated is the ultimate parent undertaking of Cargill Poultry Limited and is regarded by the directors as being the company's ultimate controlling party.

The parent undertaking of the smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.