Glanbia Milk Limited

Directors' report and financial statements

Registered number: 00699663

30 December 2017

Contents

Company information

Directors	N O'Dwyer M Garvey
Company secretary	N O'Dwyer
Registered number	00699663
Registered office	One Victoria Square Birmingham B1 1BD United Kingdom
Independent auditor	Deloitte Ireland LLP Chartered Accountants & Statutory Auditors Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
Solicitors	Pinsent Masons 55 Colmore Row Birmingham B3 2FG United Kingdom

Strategic report

The Directors present their strategic report for the financial year ended 30 December 2017.

Business review

The Company continues to be principally engaged in the provision of management services to the Glanbia UK group.

The results for the Company are set out in the income statement on page 8.

During the year the Company carried out a reorganisation of its share premium and share capital by completing the following transactions:

- capitalisation of £99,898 of the share premium account by the bonus issue of 99,898 ordinary shares of £1.00 each to Glanbia Holdings Limited, credited as fully paid (note 16);
- the cancellation of the remaining balance of £58,211,102 on the share premium account (note 17).

On completion of the above transactions the Company's issued share capital was increased to £100,000.

Parent Society

The Company regards Glanbia plc, a company incorporated in Ireland, as its holding company, the ultimate parent society being Glanbia Co-operative Society Limited which is also incorporated in Ireland. The ultimate UK parent company is Glanbia (UK) Limited, a company registered in England and Wales.

Principal risks and uncertainties

The principal risks affecting the Company are the potential non-payment of intercompany receivables.

This report was approved by the board on 16 August 2018 and signed on its behalf.

N O'Dwyer
Director

Date: 16 August 2018

Directors' report

The Directors present their report and the financial statements for the financial year ended 30 December 2017.

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Principal activity

The Company's main activity is the provision of management services to the Glanbia UK group.

Results and dividends

The profit for the financial year, after taxation, amounted to £15,062 (2016: loss of £382,918).

The Directors do not recommend payment of a dividend (2016: £nil).

Directors

The Directors who served during the financial year were:
N O'Dwyer
K Burn (resigned 30 January 2018)
M Garvey

Directors' interests

The Directors do not hold any beneficial interest (as defined by the Companies Act 2006) in the shares of the Company. In accordance with the Companies (Disclosure of Directors Interests) (Exceptions) Regulations 2006, as the Company is a wholly owned subsidiary of Glanbia plc, a body incorporated outside Great Britain, no directors' interests in that company are required to be disclosed.

Future developments

The Directors expect that the Company will continue to be principally engaged in the provision of management services to the Glanbia plc group in the United Kingdom for the foreseeable future.

Directors' report (continued)

Disclosure of information to auditors

In accordance with the provisions of section 418 of the Companies Act 2006, each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

Books of account

The Company's Directors are aware of their responsibilities, under section 386 of the Companies Act 2006, to maintain proper books of account and are discharging their responsibilities by using systems and procedures appropriate to the business and by employing qualified and experienced staff.

Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

Auditor

A resolution of the shareholders has been passed to dispense with the appointment of auditors annually. Deloitte Ireland LLP will therefore continue as auditors of the Company.

This report was approved by the board on 16 August 2018 and signed on its behalf.

N O'Dwyer

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N O'Dwyer
Director
Date:16 August 2018

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Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of Glanbia Milk Limited

Report on the audit of the financial statements

Opinion on the financial statements of Glanbia Milk Limited (the 'company')

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements we have audited comprise:

- the Income Statement;
- the Statement of Other Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 19, including a summary of significant accounting policies as set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Use of our report
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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and

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- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Kevin Sheehan (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date 27/8/18

Income statement

for financial year ended 30 December 2017

	Note	2017 £	2016 £
Turnover		410,626	239,986
Gross profit		**410,626**	239,986
Administrative expenses		(327,316)	(479,900)
Operating profit/(loss)	3	**83,310**	(239,914)
Other interest receivable and similar income	6	268,428	364,807
Interest payable and similar charges	7	(336,676)	(507,811)
Profit/(loss) on ordinary activities before tax		**15,062**	(382,918)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the financial year		**15,062**	(382,918)

The income statement has been prepared on the basis that all operations relate to continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

Statement of other comprehensive income

for financial year ended 30 December 2017

	Note	2017 £	2016 £
Profit/(loss) for the financial year		15,062	(382,918)
Other comprehensive income:			
Other comprehensive income for the financial year, net of income tax		-	-
Total comprehensive income for the financial year		15,062	(382,918)

The notes on pages 12 to 20 form part of these financial statements.

Balance sheet

at 30 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	10	854	854
		854	854
Non-current assets			
Debtors: amounts falling due after more than one year	11	-	12,000,000
Current assets			
Debtors: amounts falling due within one year	11	1,965,632	22,199,886
Cash at bank and in hand	12	515,167	-
		2,480,799	22,199,886
Creditors: amounts falling due within one year	13	(404,894)	(15,435,043)
Net current assets		2,075,905	6,764,843
Total assets less current liabilities		2,076,759	18,765,697
Creditors: amounts falling due after one year	14	-	(16,704,000)
Net assets		2,076,759	2,061,697
Capital and reserves			
Called up share capital presented as equity	16	100,000	102
Share premium account	17	-	58,311,000
Profit and loss account		1,976,759	(56,249,405)
Shareholder's equity		2,076,759	2,061,697

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2018.

N O'Dwyer
Director
Date: 16 August 2018

The notes on pages 12 to 20 form part of these financial statements.

Statement of changes in equity

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 3 January 2016	102	58,311,000	(55,866,487)	2,444,615
Total comprehensive income for the financial year:				
Loss for the financial year	-	-	(382,918)	(382,918)
Total comprehensive income for the financial year	-	-	(382,918)	(382,918)
Balance at 31 December 2016	**102**	**58,311,000**	**(56,249,405)**	**2,061,697**
Total comprehensive income for the financial year:				
Profit for the financial year	**-**	**-**	**15,062**	**15,062**
Total comprehensive income for the financial year	**-**	**-**	**15,062**	**15,062**
Transactions with owners, recorded directly in equity:				
Bonus issue of ordinary share capital (note 16)	**99,898**	**(99,898)**	**-**	**-**
Cancellation of share premium (note 17)		**(58,211,102)**	**58,211,102**	**-**
Total contributions by and distributions to owners	**99,898**	**(58,311,000)**	**58,211,102**	**-**
Balance at 30 December 2017	**100,000**	**-**	**1,976,759**	**2,076,759**

Notes to the financial statements

(forming part of the financial statements)

1. Accounting policies

1.1. Basis of preparation

Glanbia Milk Limited (the "Company") is a company incorporated and domiciled in the United Kingdom. The address of its registered office is One Victoria Square, Birmingham B1 1BD.

These financial statements are prepared for the 52 week period ended 30 December 2017. Comparatives are for the 52 week period ended 31 December 2016. The balance sheets for 2017 and 2016 have been drawn up as at 30 December 2017 and 31 December 2016 respectively.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101")

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101, where applicable:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the reclassification of items in the financial statements; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Glanbia plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures, where applicable:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared in pound sterling ("£"), which is the Company's functional currency.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.2. Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The rates of depreciation are as follows:

Fixtures and fittings	10%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

Impairment

In accordance with IAS 36 'Impairment of Assets', the carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
Impairment losses are recognised in the income statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value over the remaining useful life.

1.3. Debtors

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

1.4. Cash at bank and in hand

Cash includes cash, in any currency, in hand or deposited with financial institutions repayable without penalty on notice of not more than 24 hours.
Cash equivalents are highly liquid investments that mature within three months, or that are readily convertible to known amounts of cash within three business days without significant penalty or risk of change in value.

1.5. Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.6. Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency 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 retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.7. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably

1.8. Interest payable and similar charges

Interest payable and similar charges include, where applicable, interest payable recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

1.9. Interest receivable and similar income

Interest receivable is recognised in the income statement as it accrues, using the effective interest method.

1.10. Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight–line basis over the period of the lease

1.11. Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Changes to the UK corporation tax rates were enacted as part of Finance (No.2) Act 2015 on 18 November 2015 and Finance Act 2016 on 15 September 2016. These include reductions to the main corporation tax rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(i) Current tax
Current tax is calculated on the basis of tax laws enacted or substantively enacted at the Company balance sheet date in countries where the Company operates and generates taxable income, taking into account adjustments relating to prior years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax legislation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill not having full tax basis.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the financial statements (continued)

1.12. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There were neither critical accounting estimates nor significant judgements used in the preparation of these financial statements.

2. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Management income	410,626	239,986

Analysis of turnover by country of destination:

	2017 £	2016 £
Ireland	142,298	184,052
United Kingdom	268,328	55,934
	410,626	239,986

3. Operating profit/(loss)

	2017 £	2016 £
The operating profit/(loss) is stated after charging/(crediting):		
Depreciation (note 10)	-	582
Exchange differences	23	(260)
Audit fees payable to the Company's auditor	1,560	2,126
Defined contribution pension cost	12,653	15,620
	14,236	18,068

4. Employees

Staff costs, including Directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	169,722	251,797
Social security costs	24,913	31,028
Contributions to defined contribution pension plan	12,653	15,620
	207,288	298,445

The Company operates a defined contribution pension plan for employees. The assets of the plan are held separately from those of the Company. The annual employer contributions payable are charged to the income statement. The pension charge to the Company for employees for 2017 amounted to £12,653 (2016: £15,620).

The average monthly number of employees, including the Directors, during the financial year was as follows:

	2017 No.	2016 No.
Administration	2	4

Notes to the financial statements (continued)

5. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	**100,248**	91,161
Directors' national insurance	**16,120**	11,461
Contributions to defined contribution pension plan	**6,177**	5,853
	122,545	108,475

6. Other interest receivable and similar income

	2017	2016
	£	£
Interest received on loans to Group companies	**268,428**	364,807
	268,428	364,807

7. Interest payable and similar charges

	2017	2016
	£	£
Interest payable to a Group company	**336,676**	507,811
	336,676	507,811

8. Operating leases

The future aggregate minimum lease payments under non-cancellable operating leases are as follows at the reporting date:

	2017	2016
	£	£
Not later than one year	**-**	25,602
	-	25,602

During the financial year £24,362 (2015: £25,603) was recognised as an expense in the income statement in respect of operating leases.

9. Taxation

	2017	2016
	£	£
Current tax	**-**	-
Total current tax	**-**	-
Deferred tax charge	**-**	-
Total deferred tax	**-**	-
Taxation on profit	**-**	-

Notes to the financial statements (continued)

9. Taxation (continued)

Factors affecting tax charge for the financial year

The tax charge for the financial year is different than (2016: different than) the tax charge that would result from applying the standard rate of UK corporation tax to the profit before taxation. The UK corporation tax rate is 19.25% (2016 – 20%). The differences are explained below;

	2017	2016
	£	£
Profit/(loss) before tax	**15,062**	(382,918)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.25%: (2016: 20%)	**2,899**	(76,584)
Effects of:		
Transfer pricing adjustments	**14,720**	30,301
Excess of depreciation over capital allowances	**(10,837)**	116
Group relief (claimed)/surrendered	**(6,948)**	45,814
Expenses not deductible	**166**	353
Total tax on profit/(loss) for the financial year	**-**	-

Factors that may affect future tax charges

The total tax charge in future periods will be affected by any changes to the applicable UK tax rates and other relevant changes in tax legislation.

The tax charge for the year has been reduced by £6,948 because of losses claimed from a fellow subsidiary undertaking. No payment for this claim is to be made by the Company. In 2016 the tax charge for the year was reduced by £45,814 because of losses surrendered by a fellow subsidiary undertaking.

10. Tangible fixed assets

	Fixtures & Fittings
Cost or valuation	
At 1 January 2017	10,299
At 30 December 2017	10,299
Depreciation	
At 1 January 2017	9,445
Charge for the financial year	-
At 30 December 2017	9,445
Carrying amount	
At 31 December 2016	854
At 30 December 2017	854

Notes to the financial statements (continued)

11. Debtors

	2017	2016
	£	£
Due after more than one year:		
Amounts owed by Group undertakings	-	12,000,000

Included in 2016 was an amount of £12,000,000 advanced to Glanbia (UK) Limited carrying an interest rate of 3.06%. This amount was repaid during 2017.

	2017	2016
	£	£
Due within one year:		
Amounts owed by Group undertakings (note (a))	1,965,632	22,173,091
Amounts owed by Group joint ventures and associated undertakings	-	9,031
Prepayments and accrued income	-	17,764
	1,965,632	22,199,886

Note (a): the amounts owed by Group undertakings are unsecured, interest free and have no specified repayment date and are therefore due on demand

12. Cash at bank and in hand

	2017	2016
	£	£
Cash at bank and in hand	515,167	-

13. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank overdrafts	-	1,812,519
Trade creditors	8,848	30,803
Payable to Group joint venture	7,850	
Amounts owed to Group undertakings (note (a))	-	12,798,846
Value added tax payable	249,949	601,930
Accruals and deferred income	138,247	190,945
	404,894	15,435,043

Note (a): the amounts owed to Group undertakings in 2016 were unsecured, interest free and had no specified repayment date and were therefore due on demand.

14. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Amounts owed to Group undertakings (note (a))	-	16,704,000
	-	16,704,000

Note (a): included in 2016 were an unsecured loan of £1,848,000 from Glanbia Holdings Limited and an unsecured loan of £14,856,000 Glanbia (UK) Limited. The loans had interest rates based on LIBOR and both loans were fully repaid during 2017.

Notes to the financial statements (continued)

15. Deferred taxation

At 30 December 2017 Glanbia Milk Limited had an unprovided deferred tax asset of £5,691,073 (2016: £5,701,931). The unprovided deferred tax asset is made up of accelerated capital allowances of £48,729 (2016: £59,587) and other timing differences of £5,642,344 (2016: £5,642,344). There is insufficient evidence that this asset would be recoverable in future years.

16. Share capital

	2017 £	2016 £
Allotted, called up and fully paid ordinary shares of £1 each		
At start of financial year	**102**	102
Shares issued	**99,898**	-
At end of financial year	**100,000**	102

The provisions of the Companies Consolidation Act 2006 abolished the requirement for private companies to have an authorised share capital, provided they have received the required authorisation from the Company's member – such authorisation was granted to the Company on 17 December 2009.

During the year the Company carried out a reorganisation of its share capital through the bonus issue of 99,898 ordinary shares of £1.00 each to Glanbia Holdings Limited, credited as fully paid, and following this the Company's issued share capital was increased to 100,000 ordinary shares of £1 each.

17. Reserves

Share premium

During the year the Company capitalised £99,898 of its share premium account by the bonus issue of 99,898 ordinary shares of £1 each to Glanbia Holdings, credited as fully paid. Following this the remaining balance on the share premium account was £58,211,102 which was then cancelled.

18. Group membership

The Company regards Glanbia Co-operative Society Limited, a society incorporated in Ireland, as its ultimate parent and ultimate controlling party. Glanbia Co-operative Society Limited's principal place of business is Glanbia House, Kilkenny, Ireland and a copy of its financial statements can be obtained from that address.

The ultimate UK parent company is Glanbia (UK) Limited, a company registered in England and Wales. The Company and its ultimate UK parent, Glanbia (UK) Limited are subsidiaries of Glanbia plc. Glanbia plc, a subsidiary of Glanbia Co-operative Society Limited, prepares consolidated financial statements for the smallest group of undertakings which includes Glanbia Milk Limited. Glanbia plc is registered in Ireland and a copy of its financial statements can be obtained from the same address as its parent society or are currently available for download from the Group's website at www.glanbia.com.

Notes to the financial statements (continued)

19. Related party transactions

The following transactions were carried out with related parties:

(a) Sales of goods and services

	2017	2016
	£	£
Associates*	**45,159**	94,151

*The amounts disclosed are transactions with associates of Glanbia plc.

Sales to related parties were carried out under normal commercial terms and conditions.

(b) Purchase of goods and services

	2017	2016
	£	£
Joint ventures*	**1,320**	1,153

*The amounts disclosed are transactions with joint ventures of Glanbia plc.

Purchases from related parties were carried out under normal commercial terms and conditions.

(c) Year end balances

	2017	2016
	£	£
Receivables from related parties:		
Joint ventures	-	4,557
Associates	-	4,474
Payables to related parties		
Joint ventures	7,850	-

The outstanding balances included in receivables at the balance sheet date in respect of transactions with related parties are unsecured, interest free and settlement arises in cash. No guarantees have been given or received. All outstanding balances are deemed to be fully recoverable by the Group.

The Directors of the Company including their connected persons did not enter into any transactions with the Company in the current or preceding year and had no receivable or payable balances outstanding at 30 December 2017 and 31 December 2016.

The Company has availed of the exemptions available in FRS101 "Reduced Disclosure Framework" from disclosing transactions with wholly owned subsidiaries of Glanbia plc and key management personnel.