

Dairy Crest Dairy Products Limited

Report and Financial Statements

31 March 2018



Registered No: 00879131

Directors

M Allen
T A Atherton

Company Secretary

R P Miller

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Registered office

Claygate House
Littleworth Road
Esher
Surrey
KT10 9PN
United Kingdom

Contents

Strategic report	4
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

Strategic report

The Directors present their Strategic report for the year ended 31 March 2018.

Principal activities

Dairy Crest Dairy Products Limited (the 'Company') is a private company limited by shares. It provides financing to fellow subsidiaries within the Dairy Crest Group on an arm's length basis and earn a market rate of return from its financing activities.

Business review

The profit after taxation for the year ended 31 March 2018 amounted to £2,000 (2017: £19,000).

No dividends were paid in the year ended 31 March 2018 (2017: £1,200,000).

Key performance indicators

The key performance indicators are those of the wider Dairy Crest Group. Refer to the financial statements of Dairy Crest Group plc for further details.

Future developments

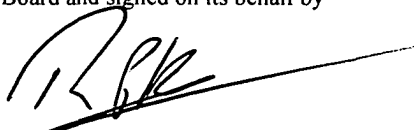
The Company will continue to receive interest on amounts receivable from group undertakings at market rates of interest.

Principal risks and uncertainties

Interest Risk - The Company is exposed to interest rate risk on its intercompany loan balances as these are at floating rates based on LIBOR. These risks, along with the wider Dairy Crest Group interest rate risks are continuously monitored.

Recoverability of intercompany balances - The Company is exposed to risk on the recovery of its intercompany loan balances.

Agreed by the Board and signed on its behalf by



R P Miller
Company Secretary

17 September 2018

Registered No: 00879131

Directors' report

The Directors present their annual report for the year ended 31 March 2018.

Directors

The Directors who served the Company during the year were as follows:

M Allen
T A Atherton

Items disclosed in Strategic report

Future developments and exposure to interest rate risk are disclosed in the Strategic report on page 4.

Directors' and officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors, Company Secretary and other Officers of the Company are indemnified by the Company to the extent permitted by company law. That indemnity provision has been in place during the year and remains in force.

Dividends

No dividends were paid in the year ended 31 March 2018 (2017: £1,200,000).

Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. Nevertheless, at the time of preparation of these accounts and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Disclosure of information to auditors

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 auditors are unaware. Each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution was passed last year by the Company's shareholder appointing Deloitte LLP as the Company's auditor. A resolution has been passed by the Company's shareholder reappointing Deloitte LLP as the Company's auditor for the year commencing 1 April

Agreed by the Board and signed on its behalf by



R P Miller
Company Secretary

17 September 2018

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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), 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 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; 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 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 Dairy Crest Dairy Products Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 102 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Dairy Crest Dairy Products Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "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 annual report, 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 respect of these matters.

Registered No: 00879131

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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
- 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.

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



William Smith MA FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

20 September 2018

Statement of comprehensive income
for the year ended 31 March 2018

	<i>Notes</i>	2018 £000	2017 £000
Other interest receivable and similar income	4	2	19
<i>Profit on ordinary activities before taxation</i>		2	19
Tax on profit on ordinary activities	5	-	-
<i>Profit for the year and total comprehensive income</i>		2	19

Statement of financial position

as at 31 March 2018

	Notes	2018 £000	2017 £000
Current assets			
Debtors	7	132	130
Net current assets		<u>132</u>	<u>130</u>
Total assets less current liabilities		<u>132</u>	<u>130</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		32	30
Total shareholders' equity		<u>132</u>	<u>130</u>

The financial statements were approved by the Board of Directors and signed on their behalf by:



T A Atherton
Director

17 September 2018

Statement of changes in equity
for the year ended 31 March 2018

	<i>Ordinary Shares £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
2018			
At 1 April 2017	100	30	130
Total comprehensive income	-	2	2
At 31 March 2018	<u>100</u>	<u>32</u>	<u>132</u>
2017			
At 1 April 2016	100	1,211	1,311
Total comprehensive income	-	19	19
Dividends	-	(1,200)	(1,200)
At 31 March 2017	<u>100</u>	<u>30</u>	<u>130</u>

Notes to the financial statements

at 31 March 2018

1. Accounting policies

General information and basis of accounting

Dairy Crest Dairy Products Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Claygate House, Littleworth Road, Esher, Surrey, KT10 9PN.

The principal activities of the Company are set out in the strategic report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the amendments to FRS 102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019.

Dairy Crest Dairy Products Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1,000.

Interest

Interest is recognised on an accrual basis.

Cash flow statement

The Directors have taken advantage of the exemption in FRS 102.1.12 "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the Company is wholly-owned and its ultimate parent publishes consolidated financial statements, which are available from Companies House.

Dividends

In accordance with FRS 102.23.29.C dividends are recognised when the Shareholders' right to receive payment is established.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Areas of judgment

There are no items that are considered by Management to be key areas of judgment.

Going concern

At the time of preparation of these accounts and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Notes to the financial statements

at 31 March 2018

2. Operating profit

Auditor's remuneration

	<i>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>

Audit of the financial statements	<u>5</u>	<u>5</u>
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Auditor's remuneration is borne by another Group undertaking.

There were no non-audit services in either year. The prior year fee was paid to the prior year auditor.

3. Staff costs

There are no employees in the current year or prior year.

The Directors of the Company received no remuneration for their services to the Company during the year (2017: £nil), as they are not deemed to have performed their qualifying services for the Company. The Directors received emoluments for their services provided to other group undertakings where they are deemed to have performed qualifying services, as disclosed in the financial statements of those companies.

4. Interest receivable

	<i>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>
Loan to immediate parent undertaking	<u>2</u>	<u>19</u>
	<u>2</u>	<u>19</u>

Notes to the financial statements

at 31 March 2018

5. Tax

(a) Tax on profit on ordinary activities
The tax charge is made up as follows:

	2018 £000	2017 £000
<i>Current tax:</i>		
UK corporation tax @ 19% (2017: 20%)	-	-
Total tax expense (note 5 (b))	-	-

(b) Factors affecting current tax charge

The differences are reconciled below:

	2018 £000	2017 £000
Profit on ordinary activities before taxation	2	19
Profit on ordinary activities multiplied by the standard rate of Corporation Tax in UK of 19% (2017: 20%)	-	4
Profits offset by available group relief claimed for nil consideration	-	(4)
Total tax expense (note 5 (a))	-	-

Factors that may affect the future tax charges:

UK corporation tax rate reduced to 19% from April 2017. A further reduction in the UK Corporation tax rate has been enacted, taking the rate to 17% from April 2020.

6. Dividends

	2018 £000	2017 £000
Interim dividend paid during the year (2017: 1,200 pence)	-	1,200

7. Debtors

Amounts falling due within one year:

	2018 £000	2017 £000
Amounts owed by group undertakings	132	130
	132	130

Notes to the financial statements

at 31 March 2018

8. Related party transactions

Groups

As the Company is a wholly-owned subsidiary of Dairy Crest Group plc, it is exempt under the terms of FRS 102.33.1A "Related Party Disclosures" from disclosing transactions with other wholly-owned Group undertakings, joint ventures or associated companies. There were no other related party transactions in the period.

Key management personnel

The Company has no key management personnel in the current year or prior year.

9. Share capital

	<i>Number</i>	<i>2018</i> <i>£000</i>	<i>Number</i>	<i>Authorised</i> <i>2017</i> <i>£000</i>
Ordinary shares of £1 each	100,000	100	100,000	100
	<i>Number</i>	<i>2018</i> <i>£000</i>	<i>Number</i>	<i>Allotted, called up and fully paid</i> <i>2017</i> <i>£000</i>
Ordinary shares of £1 each	100,000	100	100,000	100

10. Parent undertakings

The Company's immediate parent undertaking is Dairy Crest Limited. The Company's ultimate parent undertaking is Dairy Crest Group plc, whose financial statements are available from its registered office at Claygate House, Littleworth Road, Esher, Surrey,

The largest and smallest group preparing consolidated accounts for the year ended 31 March 2018 which include Dairy Crest Dairy Products Limited is Dairy Crest Group plc.