

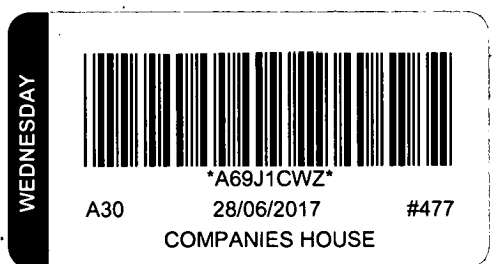
company Registration Number:

02614349

**GREENCORE UK HOLDINGS LIMITED**

Directors' Report and Financial Statements

Period ended 30 September 2016



**GRENCORE UK HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**Period ended 30 September 2016**

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## **GRENCORE UK HOLDINGS LIMITED**

### **DIRECTORS AND OTHER INFORMATION**

#### **DIRECTORS**

MEvans

CO'Leary(Irish)

C Bradshaw (appointed on 25 April 2016)

E Tonge (Irish) (appointed on 03 October 2016)

AR Williams (resigned on 03 October 2016)

J Gacquin (resigned on 25 April 2016)

#### **SECRETARY**

MEvans

#### **REGISTERED OFFICE**

Grencore Group UK Centre

Midland Way, Barlborough Links Business Park

Barlborough

Chesterfield

S43 4XA

#### **BANKERS**

HSBC

69 Pall Mall

London

SW1Y5EY

#### **SOLICITORS**

Eversheds LLP

Bridgewater Place

Water Lane

Leeds LS11

SDR

#### **AUDITOR**

KPMG

Chartered Accountants

1 Stokes Place

St Stephen's Green

Dublin 2

## **GRENCORE UK HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the financial statements for Grencore UK Holdings Limited ("the company") for the period ended 30 September 2016.

#### **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 period. Under that law they have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* "FRS 101" 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 assets, liabilities and financial position of the company and of its profit or loss 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 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.

#### **PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company is a member of Grencore Group plc ("the Group"). The company provides treasury services to other members of the Group and is also an investment holding company.

#### **RESULTS AND DIVIDENDS**

The loss for the period after taxation was £10.7 million (2015: loss £11.3 million). Dividends of £nil were paid during the period (2015: £nil).

#### **POST BALANCE SHEET EVENTS**

There are no significant post balance sheet events that require disclosure in the financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's operations expose it to a variety of commercial risks that include the effects of credit risk and the recoverability of investments.

##### **Credit Risk**

The company's receivables from fellow Group undertakings are payable on demand. The directors are satisfied that these could be repaid using alternative sources of finance if required.

##### **Recoverability of Investments**

The financial position of the company could be materially impacted by the failure to recover the carrying value of investments. The directors are satisfied that the company's financial assets are stated at, at least their recoverable amounts.

#### **FINANCIAL RISK MANAGEMENT**

The company is financed by fellow Group undertakings and these loans are repayable on demand. The ability of the company to continue as a going concern should such a demand be received depends on the company's ability to source alternative financing. The directors are satisfied that such financing facilities would be available if required.

Interest rate, foreign currency and liquidity risk are actively managed by the Group's Treasury Department which operates within strict Grencore Group plc Board approved policies and guidelines. This is discussed further in the Group's annual report which does not form part of this report.

## **GREENCORE UK HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **GOING CONCERN**

Greencore Group plc, the company's ultimate parent, has confirmed to the directors that it will continue to provide financial support for the company to meet its debts as they become due. Accordingly, the directors have prepared the financial statements on a going concern basis.

#### **CHARITABLE AND POLITICAL DONATIONS**

Charitable donations during the period amounted to £nil (2015: £nil). No political donations or contributions were made by the company (2015: £nil).

#### **DIRECTORS**

The directors who held office during the period and during the period to the date of approval of these financial statements are as follows:

MEvans  
CO'Leary (Irish)  
C Bradshaw (appointed on 25 April 2016)  
E Tonge (Irish) (appointed on 03 October 2016)  
AR Williams (resigned on 03 October 2016)

#### **DIRECTORS' AND COMPANY SECRETARY'S INTERESTS**

None of the directors or the company secretary have any beneficial interest in the share capital of the company.

The company has taken out insurance for the directors and officers against liabilities which may be incurred in relation to the company.

#### **STRATEGIC REPORT**

The company has availed of the exemption under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 from implementing the Strategic Report requirements as the company qualifies as a small company for company law purposes.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **AUDITOR**

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

On behalf of the board



M Evans  
Director

16 June 2017



KPMG  
Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENCORE UK HOLDINGS LIMITED

We have audited the financial statements of Greencore UK Holdings Limited for the period ended 30 September 2016 which comprise the profit and loss account and statement of other comprehensive income, balance sheet, statement of changes in equity and related notes. 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 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### Opinions and conclusions arising from our audit

#### **1 Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its loss for the period 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.

#### **2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **3 We have nothing to report in respect of matters on which we are required to report by exception**

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of the above responsibilities.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRENCORE UK HOLDINGS LIMITED (CONTINUED)

### Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities 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 and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Tom McEvoy (Senior Statutory Auditor)  
for and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

16 June 2017

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**

For the period ended 30 September 2016

	Note	2016 £'000	2015 £'000
Administration costs		1,268	(1,062)
<b>Profit / (Loss) on ordinary activities before interest and taxation</b>		<b>1,268</b>	<b>(1,062)</b>
Interest receivable and similar income	3	1,079	2,134
Interest payable and similar charges	3	(12,991)	(12,213)
<b>Loss on ordinary activities before taxation</b>		<b>(10,644)</b>	<b>(11,141)</b>
Taxation charge	4	(17)	(207)
<b>Loss for the period financial period</b>		<b>(10,661)</b>	<b>(11,348)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(10,661)</b>	<b>(11,348)</b>



# GREENCORE UK HOLDINGS LIMITED

## BALANCE SHEET

As at 30 September 2016

	Note	2016 £'000	2015 £'000
<b>Fixed Assets</b>			
Financial assets	5	23,655	23,655
<b>Current Assets</b>			
Debtors			
- due within one year	6	219,582	308,602
Cash at bank and in hand		18,012	1,100
		237,594	309,702
<b>Creditors: Amounts falling due within one year</b>	7	(535,948)	(597,308)
Derivative financial instruments	8	-	(87)
<b>Net Current Liabilities</b>		(298,354)	(287,693)
<b>Total Net Liabilities</b>		(274,699)	(264,038)
<b>Share Capital and Reserves</b>			
Called up share capital	9	2,886	2,886
Share premium account		62,375	62,375
Profit and loss account		(339,960)	(329,299)
<b>Shareholders' Funds</b>		(274,699)	(264,038)

On behalf of the board



M Evans  
Director,  
16 June 2017

# **GREENCORE UK HOLDINGS LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

As at 30 September 2016

	Share capital	Share premium account	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
<b>At 26 September 2014</b>	2,886	62,375	(317,951)	(252,690)
<b>Total comprehensive income for the period</b>				
Loss for the financial period	-	-	(11,348)	(11,348)
<b>At 25 September 2015</b>	2,886	62,375	(329,299)	(264,038)
<b>Total comprehensive income for the period</b>				
Loss for the financial period	-	-	(10,661)	(10,661)
<b>At 30 September 2016</b>	2,886	62,375	(339,960)	(274,699)

**GRENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2016**

**1. ACCOUNTING POLICIES**

Grencore UK Holdings Limited (the "company") is a limited liability company incorporated and domiciled in the United Kingdom. The company is exempt by virtue of s.400 of the Companies Act 2006, the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle), issued in July 2015 and effective immediately, have been applied. 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 Acts 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS 1) whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the company is provided in note 12.

The company's ultimate parent undertaking, Grencore Group plc, includes the company in its consolidated financial statements. The consolidated financial statements of Grencore Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Grencore Group plc, 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, Ireland.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Grencore Group plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements are presented in sterling, which is the company's functional currency, and are rounded to the nearest thousand (£'000) except when otherwise indicated. The financial statements have been prepared on the basis of historical costs, except where assets and liabilities are stated at fair value in accordance with relevant accounting policies.

The financial statements of the company are prepared to the last Friday in September each year. Accordingly, these financial statements were prepared for the 53 week period ended 30 September 2016. Comparatives are for the 52 week period ended 25 September 2015. The balance sheets for 2016 and 2015 were prepared as at 30 September 2016 and 25 September 2015 respectively.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 26 September 2014 for the purposes of the transition to FRS 101.

**Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**GREENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2016**

**1. ACCOUNTING POLICIES (continued)**

**Foreign currency**

Foreign currency transactions are booked in the functional currency at the exchange rate ruling on the date of the transaction. Foreign currency monetary asset and liabilities are translated into the local currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in profit or loss for the period.

**Financial assets**

Financial assets held as fixed assets are stated at cost less provision for any impairment. A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Classification of financial instruments issued by the company**

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity 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 nonderivative 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.

**Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

**Trade and other debtors**

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**Trade and other creditors**

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

**Taxation**

Tax on the profit or loss for the period 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

**GRENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 30 September 2016

**1. ACCOUNTING POLICIES (continued)**

**Taxation (continued)**

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**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 or loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**Interest Bearing Borrowings**

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**2. STATUTORY INFORMATION**

	2016 £'000	2015 £'000
Profit / (loss) on ordinary activities before interest and taxation		
Foreign exchange gain / (loss)	1,265	(1,052)

The directors are remunerated by other Group undertakings in respect of their services to the Group. It is not possible to ascertain the amounts paid in respect of their services to the company. Mr AR Williams and Mr E Tonge are directors of the ultimate parent and their emoluments are disclosed in the Grencore Group Plc Annual Report. Auditor's remuneration is borne by a fellow Group undertaking.

**GRENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 30 September 2016

**3. INTEREST**

	2016 £'000	2015 £'000
<b>Interest receivable and similar income</b>		
Interest receivable from Group undertakings	992	1,101
Fair value movement on interest rate swap	87	1,033
	<b>1,079</b>	<b>2,134</b>

	2016 £'000	2015 £'000
<b>Interest payable and similar charges</b>		
Interest payable on loans repayable within 5 years	40	1,041
Amortisation of issue costs of finance liability	320	408
Interest payable to Group undertakings	12,631	10,764
	<b>12,991</b>	<b>12,213</b>

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

(a) Analysis of tax charge for the period

	2016 £'000	2015 £'000
<b>Current tax</b>		
United Kingdom corporation tax	-	-
Total current tax	-	-
<b>Deferred tax</b>		
Deferred Tax Asset in respect of Derivative Financial Instruments	17	207
<b>Total tax charge</b>	<b>17</b>	<b>207</b>

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 20% (2015: 20.5%). The differences arise as follows:

	2016 £'000	2015 £'000
<b>Loss on ordinary activities before tax</b>	<b>(10,644)</b>	<b>(11,141)</b>
Tax @ 20% (2015: 20.5%) thereon:	<b>(2,129)</b>	<b>(2,284)</b>
Impact of rate change	-	(5)
UK-UK transfer pricing adjustment	<b>(26)</b>	<b>(32)</b>
Utilisation of losses		
Group relief	<b>2,172</b>	<b>2,528</b>
<b>Total tax charge for the period</b>	<b>17</b>	<b>207</b>

Finance Act 2015 was substantively enacted on 26 October 2015 and reduced the UK corporation tax rate from 20% to 19% from 01 April 2017 and to 18% from 01 April 2020. Finance Act 2016 was substantively enacted on 06 September 2016 and further reduced the rate to 17% from 01 April 2020, instead of the reduction to 18% as originally planned.

**GRENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 30 September 2016

**4. TAX LOSS ON ORDINARY ACTIVITIES (continued)**

Deferred tax has been recognised to the extent that the directors believe it is recoverable. Unrecognised deferred tax assets comprise the following net amounts:

	2016 £'000	2015 £'000
Tax losses	49	63

**5. FINANCIAL ASSETS**

	2016 £'000	2015 £'000
<b>Investments in subsidiary undertakings</b>		
At beginning of period	23,655	32,955
Disposals	-	(9,300)
At end of period	23,655	23,655

Name of subsidiary	Principal activity	Class of shares held	Percentage of shares and voting rights held	Country of incorporation
Grencore Northwood Limited	Finance company	Ordinary	100%	England & Wales

The directors are satisfied with the carrying value of the investment.

**6. DEBTORS**

	2016 £'000	2015 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by Group undertakings	218,418	307,310
Unamortised loan fees	1,057	1,121
Deferred tax asset	-	17
Corporation tax receivable	107	154
	219,582	308,602

Loans of £55.2 million (2015: £20.4 million) due from Group undertakings, bear interest at rates based on LIBOR and are repayable upon demand. All other amounts due from Group undertakings are unsecured, interest free and are repayable on demand.

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
Bank overdrafts	124,421	15,442
Amounts owed to Group undertakings	411,412	581,285
Other creditors	115	581
	535,948	597,308

# **GRENCORE UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 September 2016

### **7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

Loans of £216.5 million (2015: £358.9 million) due to Group undertakings, bear interest at rates based on LIBOR and are repayable upon demand. All other amounts due to Group undertakings are unsecured, interest free and are repayable on demand.

### **8. FINANCIAL INSTRUMENTS**

	2016 £'000	2015 £'000
<b>Current liabilities</b>		
Interest rate swaps	-	(87)
	-	(87)

### **FAIR VALUE HIERARCHY**

The following table analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the asset or liability that are not observable market data (un-observable inputs).

During the period, there were no transfers between the different levels identified above.

Derivative financial instruments recognised as assets and liabilities in the company Balance Sheet are analysed as follows:

	2016		
	Assets £'000	Liabilities £'000	Net £'000
<b>Current</b>			
Interest rate swaps*	-	-	-
	-	-	-

*Level 2-denoted by \**

	2015		
	Assets £'000	Liabilities £'000	Net £'000
<b>Current</b>			
Interest rate swaps*	-	(87)	(87)
	-	(87)	(87)

Derivative instruments which are held for trading and are not designated as effective hedging instruments are classified as a current asset or liability (as appropriate) regardless of maturity if the company expects that they may be settled within 12 months of the Balance Sheet date. Derivative instruments that are designated as effective hedging instruments are classified as a current or non-current asset or liability by reference to the maturity of the hedged item. All other derivative instruments are classified by reference to their maturity date.



**GRENCORE UK HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 30 September 2016

**8. FINANCIAL INSTRUMENTS (continued)**

**Interest Rate Swaps**

The company utilises interest rate swaps to convert floating rate sterling debt into fixed rate debt liabilities. The principal amount of the company's borrowings which are swapped at 30 September 2016 total £nil (2015: £25 million).

**9. SHARE CAPITAL**

	2016 £'000	2015 £'000
<b>Authorised share capital</b>		
10,000,000 Ordinary shares of £1.00 each	10,000	10,000
	10,000	10,000
<b>Allotted, called up and fully paid share capital</b>		
2,885,977 Ordinary shares of £1.00 each	2,886	2,886
	2,886	2,886

There has been no movement in share capital in the current period and prior periods. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

**10. FINANCIAL COMMITMENTS & CONTINGENCIES**

**Commitments on behalf of group undertakings**

The company, along with other members of the Group, has provided guarantees in relation to the payment of borrowings of the Group from several banks. Details of these borrowings are set out in the Group's annual report which does not form part of this report.

**11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate holding company is Grencore Beechwood Limited, a company incorporated in the UK, with a registered office at Grencore Group UK Centre, Midland Way, Barlborough Links Business Park, Barlborough, Chesterfield S43 4XA.

The ultimate controlling party is Grencore Group plc ("the Group"). The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Grencore Group plc. Copies of the Group financial statements may be obtained from Grencore Group plc at 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9.

**12. TRANSITION TO FRS 101 FROM UK GAAP**

As stated in note 1, these are the first financial statements prepared in accordance with FRS 101.

The accounting policies are set out in Note 1 and have been applied in preparing the financial statements for the period ended 30 September 2016, the comparative information for the period ended 25 September 2015 and the opening Balance Sheet at 26 September 2014 (the company's date of transition to FRS 101).

In preparing its FRS 101 Balance Sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

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**12. TRANSITION TO FRS 101 FROM UK GAAP (continued)**

The adjustments on transition to IFRS related to:

- Derivative financial instruments
- Deferred tax on derivative financial instruments

Reconciliation of Profit and Loss and Other Comprehensive Income for the financial period ended 25 September 2015 from UK GAAP to FRS 101.

	For period ended 25 September 2015 UK GAAP	Effect of the transition to FRS 101	For period ended 25 September 2015 FRS 101
	£'000	£'000	£'000
<b>PROFIT AND LOSS ACCOUNT</b>			
Administration costs	(1,062)	-	(1,062)
<b>Loss on ordinary activities before interest and taxation</b>	<b>(1,062)</b>	-	<b>(1,062)</b>
Interest receivable and similar income	1,101	1,033	2,134
Interest payable and similar charges	(12,213)	-	(12,213)
<b>(Loss) / Profit on ordinary activities before taxation</b>	<b>(12,174)</b>	1,033	<b>(11,141)</b>
Taxation charge	-	(207)	(207)
<b>(Loss) / Profit for the period financial period</b>	<b>(12,174)</b>	826	<b>(11,348)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(12,174)</b>	826	<b>(11,348)</b>

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**12. TRANSITION TO FRS 101 FROM UK GAAP (continued)**

	Opening Balance Sheet 26 September 2014			Closing Balance Sheet 25 September 2015		
	UK GAAP £'000	Effects of transition to FRS 101 (A), (B) £'000	FRS 101 £'000	UK GAAP £'000	Effects of transition to FRS 101 (A), (B) £'000	FRS 101 £'000
<b>Non-Current Assets</b>						
Financial assets	32,955	-	32,955	23,655	-	23,655
	32,955	-	32,955	23,655	-	23,655
<b>Current Assets</b>						
Debtors						
- due within one year	182,412	224	182,636	308,585	17	308,602
Cash at bank and in hand	3,001	-	3,001	1,100	-	1,100
	185,413	224	185,637	309,685	17	309,702
<b>Creditors: Amounts falling due within one year</b>	(470,162)	-	(470,162)	(597,308)	-	(597,308)
Derivative financial instruments	-	(1,120)	(1,120)	-	(87)	(87)
<b>Net Current Assets</b>	(284,749)	(896)	(285,645)	(287,623)	(70)	(287,693)
<b>Total Net Assets</b>	(251,794)	(896)	(252,690)	(263,968)	(70)	(264,038)
<b>Share Capital and Reserves</b>						
Called up share capital	2,886	-	2,886	2,886	-	2,886
Share premium account	62,375	-	62,375	62,375	-	62,375
Profit and loss account	(317,055)	(896)	(317,951)	(329,229)	(70)	(329,299)
<b>Shareholders' Funds</b>	(251,794)	(896)	(252,690)	(263,968)	(70)	(264,038)

**Notes to Transition to FRS 101**

**A. Derivative financial instruments**

In accordance with UK GAAP the company's interest rate swaps were not recognised on the balance sheet. On transition to IFRS these derivatives were recognised on balance sheet at their fair values through profit and loss

**B. Deferred tax on fair value of interest rate swap**

As a result of the transition to FRS 101, the company recognised the interest rate swap on the balance sheet. A deferred tax asset has been recognised on the fair value of the interest rate swap.

**Reconciliation of equity from UK GAAP to FRS101**

The below table reconciles total equity from UK GAAP to FRS 101 at 26 September 2014 (the transition date) and 25 September 2015.

	25 September 2015 £'000	26 September 2014 £'000
<b>Equity (UK GAAP)</b>	(263,968)	(251,794)
Recognition of interest rate swap at fair value at transition date	(1,120)	(1,120)
Deferred tax asset at transition date	224	224
Deferred tax movement	(207)	-
FV movement in Interest rate swap	1,033	-
<b>Equity (FRS 101)</b>	(264,038)	(252,690)

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**13. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the board of directors and authorised them for issue on 16 June 2017.