

# Dairy Crest France Holdings 1 Limited

## Report and Financial Statements

31 March 2017



Registered No: 03215320

**Directors**

M Allen  
T A Atherton  
R P Miller  
R T A Willock

**Company Secretary**

R P Miller

**Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**Registered office**

Claygate House  
Littleworth Road  
Esher  
Surrey  
KT10 9PN

Registered No: 03215320

## Contents

Strategic report	3
Directors' report	4
Statement of Directors' responsibilities in respect of the financial statements	5
Independent auditor's report	6
Income statement	7
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

Registered No: 03215320

## Strategic report

The Directors present their Strategic report for the year ended 31 March 2017.

### Principal activities

Dairy Crest France Holdings 1 Limited (the 'Company') acts as a holding company of Dairy Crest (Services) Limited and Dairy Crest France Holdings 2 Limited.

### Business Review

The loss after taxation for the year amounted to £369,000 (2016: loss £401,000). No dividends were paid in the year ended 31 March 2017 (2016: £nil).

### Key performance indicators

Refer to the financial statements of Dairy Crest Group plc for the key performance indicators for the Group.

### Future developments

The Company will continue to hold its investments and manage its net debt with group undertakings.

### 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.

On behalf of the board



R P Miller  
Company Secretary

14 August 2017

Registered No: 03215320

## Directors' report

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

### Directors

The Directors of the Company were as follows:

M Allen  
T A Atherton  
R P Miller  
R T A Willock

### Items disclosed in Strategic report

Future developments and exposure to interest rate risk are disclosed in the Strategic report on page 3.

### Directors' and officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors, 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 2017 (2016: £nil).

### 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.

As the Company has net current liabilities, a letter of support has been obtained by the Directors from Dairy Crest Group plc, the Company's ultimate parent undertaking.

### 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.

Resolutions have been passed by the Company's shareholder that the Company's current auditor, Ernst & Young LLP, is retiring by rotation and is not reappointed for the year commencing 1 April 2017 and instead Deloitte LLP has been appointed as the Company's auditor for the year commencing 1 April 2017.

On behalf of the board



R P Miller  
Company Secretary

14 August 2017

## **Statement of Directors' responsibilities in respect of the financial statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (FRS 102 'The Financial Reporting Standard applicable to 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 the profit or loss of the Company for that period.

In preparing those 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;

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.

Registered No: 03215320

## Independent auditor's report

### to the members of Dairy Crest France Holdings 1 Limited

We have audited the financial statements of Dairy Crest France Holdings 1 Limited for the year ended 31 March 2017 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland').

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit 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 financial statements 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.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion, 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Anup Sodhi (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

15/8/2017

Registered No: 03215320

## Income statement

for the year ended 31 March 2017

	Notes	2017 £000	2016 £000
Interest receivable	4	1,734	1,886
Interest payable	4	(2,103)	(2,287)
<b>Loss on ordinary activities before taxation</b>		<b>(369)</b>	<b>(401)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		<b>(369)</b>	<b>(401)</b>

## Statement of comprehensive income

for the year ended 31 March 2017

There are no recognised gains or losses other than the loss of £369,000 attributable to the shareholders for the year ended 31 March 2017 (2016: loss £401,000).



Registered No: 03215320

## Statement of financial position

at 31 March 2017

		2017 £000	2016 £000
	Notes		
<b>Fixed Assets</b>			
Investments	6	364,188	364,188
		<u>364,188</u>	<u>364,188</u>
<b>Current Assets</b>			
Debtors	7	121,728	119,994
		<u>121,728</u>	<u>119,994</u>
<b>Creditors:</b> amounts falling due within one year	8	(147,625)	(145,522)
<b>Net current liabilities</b>		<u>(25,897)</u>	<u>(25,528)</u>
<b>Total assets less current liabilities</b>		<u>338,291</u>	<u>338,660</u>
 <b>Capital and reserves</b>			
Share capital	9	337,895	337,895
Profit and loss account		396	765
<b>Equity shareholders' funds</b>		<u>338,291</u>	<u>338,660</u>

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



T A Atherton  
Director

14 August 2017

Registered No: 03215320

## Statement of changes in equity

at 31 March 2017

	<i>Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total equity funds</i> £000
<b>2017</b>			
At 1 April 2016	337,895	765	338,660
Loss for the year	-	(369)	(369)
At 31 March 2017	<u>337,895</u>	<u>396</u>	<u>338,291</u>
<b>2016</b>			
At 1 April 2015	337,895	1,166	339,061
Loss for the year	-	(401)	(401)
At 31 March 2016	<u>337,895</u>	<u>765</u>	<u>338,660</u>

## Notes to the financial statements

at 31 March 2017

### 1. Accounting policies

#### **Statement of compliance**

Dairy Crest France Holdings 1 Limited is a limited liability company incorporated in England. The Registered Office is Claygate House, Littleworth Road, Esher, Surrey, KT10 9PN.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 March 2017.

#### **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 £000.

#### **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.

#### **Investments**

Investments are carried at lower of cost or net realisable value.

#### **Consolidated financial statements**

The financial statements represent those of the Company. Consolidated financial statements have not been prepared as the Company is a subsidiary of a UK parent undertaking which itself prepares consolidated financial statements (Section 400, Companies Act 2006).

#### **Dividends**

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

### 2. Auditor remuneration

	2017 £000	2016 £000
Remuneration of the auditors is further analysed as follows:		
Audit of the financial statements	3	3
Auditor's remuneration is borne by another group undertaking.		

### 3. Staff costs

The Directors are Directors of other undertakings within the Dairy Crest Group. The Directors' remuneration for the year was paid by other undertakings as qualifying services in relation to the Company were minimal. The Directors do not believe that it is practical to apportion this amount between their services as Directors of the Company and their services as Directors of the fellow subsidiary undertakings.

### 4. Interest

	2017 £000	2016 £000
Group undertakings - Payable	(2,103)	(2,287)
- Receivable	1,734	1,886

Registered No: 03215320

**Notes to the financial statements**

at 31 March 2017

**5. Tax**

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017 £000	2016 £000
<i>Current tax:</i>		
UK corporation tax	-	-
Total tax expense (note 5(b))	-	-

(b) Factors affecting current tax charge

The differences are reconciled below:

	2017 £000	2016 £000
Loss on ordinary activities before taxation	(369)	(401)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	(74)	(80)
Losses surrendered to group companies	74	80
Total tax expense (note 5(a))	-	-

Factors that may affect the future tax charges:

UK corporation tax rate reduced to 20% from April 2015. Two further 1% reductions have been enacted, taking the rate to 19% from April 2017 and to 18% from April 2020. Accordingly, deferred tax has been provided on all temporary differences at the rate in force when they are anticipated to reverse. A further 1% reduction in the rate from April 2020 was announced in the 2016 Budget, which is now substantially enacted, taking the rate to 17% but this has not been reflected in the accounts.

**6. Investments**

*Share in Group  
undertakings  
£000*

Net book value at 31 March 2016 and 31 March 2017 364,188

The Company owns 95% of the issued share capital of Dairy Crest France Holdings 2 Limited and owns 100% of the issued share capital of Dairy Crest Services Limited.

The principal place of operation and country of incorporation is England and Wales.

**7. Debtors**

	2017 £000	2016 £000
Amounts owed by group undertakings	121,728	119,994
	121,728	119,994

Registered No: 03215320

## Notes to the financial statements

at 31 March 2017

### 8. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	147,625	145,522
	<u>147,625</u>	<u>145,522</u>

### 9. Share capital

	2017 £000	2016 £000
		<i>Authorised</i>
Ordinary shares of £1 each	No. 390,000,000 390,000	No. 390,000
	<u>390,000</u>	<u>390,000</u>
	2017 £000	2016 £000
		<i>Allotted called up and fully paid</i>
Ordinary shares of £1 each	No. 337,895,280 337,895	No. 337,895
	<u>337,895</u>	<u>337,895</u>

### 10. 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 Group undertakings, joint ventures or associated companies. There were no other related party transactions in the period.

#### Key management personnel

The Company has adopted the disclosure exemption (FRS 102.1.11) in respect of key management personnel (FRS 102.33.7).

### 11. 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, KT10 9PN.

The largest and smallest group preparing consolidated accounts for the year ended 31 March 2017 which include Dairy Crest France Holdings 1 Limited is Dairy Crest Group plc.