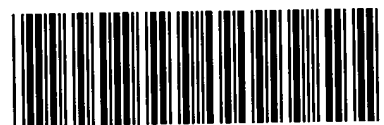


**NOBLE FOODS LIMITED**

**Annual Report and Financial Statements**

**30 September 2014**

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# **NOBLE FOODS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2014**

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# **NOBLE FOODS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2014**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

A M J Cracknell  
J Roberts

#### **REGISTERED OFFICE**

Bridgeway House  
Icknield Way  
Tring  
Hertfordshire  
HP23 4JX

#### **BANKERS**

Lloyds Bank plc  
PO Box 112  
Canons House  
Canons Way  
Bristol  
BS99 7LB

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A  
Trading as Rabobank International  
Thames Court  
One Queenhithe  
London  
EC4V 3RL

#### **SOLICITORS**

Lyons Davidson  
Victoria House  
51 Victoria Street  
Bristol  
BS1 6AD

EMW Picton Howell LLP  
Seebeck House  
1 Seebeck Place  
Knowhill  
Milton Keynes  
Buckinghamshire  
MK5 8FR

#### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham  
UK

# **NOBLE FOODS LIMITED**

## **DIRECTORS' REPORT AND STRATEGIC REPORT**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 September 2014.

### **PRINCIPAL ACTIVITIES**

The core activities of the company are the production and sale of shell eggs together with the production and sale of animal feeds and poultry meat, predominantly in the UK. Non core liquid egg activities were transferred out of the Company during the year.

### **REVIEW OF THE BUSINESS**

The directors are pleased with the results for the year. The after tax profits of £14.4m (2013: £19.6m) on turnover of £533.6m (2013: £603.2m) are as expected, profits have decreased in the year due to challenging market conditions.

There is continuing competitive pressure which always drives us to reducing our costs and improving our efficiencies.

The Group has committed banking facilities in place until May 2016.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company are as follows:

- General competitive pressure in the market place.
- Avian influenza outbreaks, if widespread, could be a risk to the group's ability to supply eggs to its customers. The company is however better placed than most of its competitors as the company covers the whole of the UK with its supply base and therefore is likely to benefit from an Avian Influenza outbreak in terms of profits earned.

### **DIVIDENDS**

A dividend of £16.00 (2013: £22.00) per ordinary share was paid to the immediate parent company Noble Foods Holdings Limited during the year.

### **DIRECTORS & OFFICERS**

The directors who served during the period and subsequently were:

A M J Cracknell (appointed on 14 January 2014)

A D Joret (resigned on 6 January 2014)

S J Lowe (resigned 22 September 2014)

J Roberts (appointed 22 September 2014)

P W Thornton (resigned on 14 January 2014).

EMW Secretaries Limited resigned as Company Secretary on 22 September 2014.

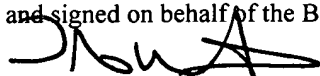
### **AUDITOR**

The directors at the date of approval of the Directors' Report and Strategic Report confirm that so far as they are each aware there is no relevant audit information of which the company's auditor is unaware and each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Deloitte LLP will be deemed to be re-appointed and therefore continue in office.

Approved by the Board of Directors

and signed on behalf of the Board on **22 December 2014**



J Roberts  
Director

**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). 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 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 NOBLE FOODS LIMITED**

We have audited the financial statements of Noble Foods Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Note of Historical Cost Profits and Losses, the Statement of Movement on Reserves, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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 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.

### **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 30 September 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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



Mark Doleman FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham, UK

23 December 2014

# NOBLE FOODS LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 September 2014

	Note	2014 £'000	2013 £'000
<b>TURNOVER</b>	2	533,617	603,243
Cost of sales		(463,952)	(524,652)
Gross profit		69,665	78,591
Distribution costs		(28,686)	(31,147)
Administrative expenses		(20,623)	(19,627)
<b>OPERATING PROFIT</b>	3	20,356	27,817
Interest receivable and similar income	5	2,397	2,125
Interest payable and similar charges	5	(4,047)	(3,890)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		18,706	26,052
Tax on profit on ordinary activities	6	(4,313)	(6,478)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		14,393	19,574

The activities in the current and preceding year relate to continuing operations (see note 23).

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 30 September 2014

	2014 £'000	2013 £'000
<b>Profit attributable to the members for the financial year</b>	14,393	19,574
Actuarial loss on defined benefit pension scheme (note 21)	(2,139)	(1,163)
(Decrease)/Increase in the restriction on the pension surplus that can be recognised as an asset (note 21)	(10)	22
Movement on deferred tax relating to pension scheme	472	268
Foreign exchange movements	-	63
<b>Total recognised gains and losses since the last annual report</b>	12,716	18,764

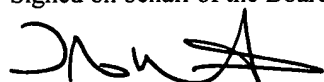
# NOBLE FOODS LIMITED

## BALANCE SHEET 30 September 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Goodwill and other intangible assets	7	1,963	2,355
Negative goodwill	7	(5,192)	(5,312)
Tangible assets	8	84,948	78,667
Investments	9	11	11
		<u>81,730</u>	<u>75,721</u>
<b>CURRENT ASSETS</b>			
Stocks	10	14,976	18,062
Debtors due within one year	11	124,631	130,544
Debtors due after one year	11	-	-
Cash at bank and in hand		486	1,248
		<u>140,093</u>	<u>149,854</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(64,311)</u>	<u>(62,246)</u>
<b>NET CURRENT ASSETS</b>		<u>75,782</u>	<u>87,608</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		157,512	163,329
<b>CREDITORS: amounts falling due after more than one year</b>	13	(101,704)	(103,634)
Provisions for liabilities	16	<u>(1,385)</u>	<u>(1,988)</u>
<b>NET ASSETS EXCLUDING PENSION SURPLUS</b>		54,423	57,707
Pension surplus	21	<u>-</u>	<u>-</u>
<b>NET ASSETS INCLUDING PENSION SURPLUS</b>		<u>54,423</u>	<u>57,707</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1,000	1,000
Share premium		2,885	2,885
Revaluation reserve		12,173	12,821
Profit and loss account		38,365	41,001
<b>SHAREHOLDERS' FUNDS</b>		<u>54,423</u>	<u>57,707</u>

The financial statements of Noble Foods Limited registered number 03636168 were approved by the Board of Directors on 22 December 2014

Signed on behalf of the Board of Directors



J Roberts  
Director



# NOBLE FOODS LIMITED

## NOTE OF HISTORICAL COST PROFIT AND LOSSES

Year ended 30 September 2014

	2014 £'000	2013 £'000
Reported profit on ordinary activities before taxation	18,706	26,052
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	101	162
Historical cost profit on ordinary activities before taxation	18,807	26,214
Historical cost loss for the year after taxation and dividends	(1,506)	(2,264)

## STATEMENT OF MOVEMENTS ON RESERVES

Year ended 30 September 2014

	Share premium £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 October 2013	2,885	12,821	41,001	56,707
Profit for the financial year	-	-	14,393	14,393
Revaluation reserve adjustment on sale of properties	-	(547)	547	-
Additional depreciation on revalued cost of assets	-	(101)	101	-
Actuarial loss relating to pension scheme net of deferred tax (note 21)	-	-	(1,677)	(1,677)
Dividends (note 18)	-	-	(16,000)	(16,000)
At 30 September 2014	2,885	12,173	38,365	53,423

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 30 September 2014

	2014 £'000	2013 £'000
Profit for the financial year	14,393	19,574
Actuarial loss relating to pension scheme net of deferred tax (note 21)	(1,677)	(873)
Foreign exchange movements	-	63
Dividends (note 18)	(16,000)	(22,000)
Net decrease in shareholders' funds	(3,284)	(3,236)
Opening shareholders' funds	57,707	60,943
Closing shareholders' funds	54,423	57,707

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below and have been applied consistently in both the current and prior year.

**Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and on a going concern basis after due consideration of the principal risks and uncertainties as disclosed in the report of the directors, and in accordance with applicable United Kingdom accounting standards. In reaching this conclusion the Board have considered the financial position of the Company and its funding facilities. The Board has undertaken a review of the Company's forecasts and associated risks and sensitivities and have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly have adopted the going concern basis in preparing the financial statements.

**Intangible fixed assets**

For the acquisition of a business, purchased goodwill and other intangibles are capitalised in the year in which they arise and amortised over their useful life up to a maximum of 20 years. Provision is made for any impairment.

Negative goodwill arising on the purchase of a business is capitalised and credited to the profit and loss account as the assets to which it relates are realised.

The negative goodwill arising on the acquisition of the trade and certain assets of Daylay Foods relates to tangible fixed assets. Accordingly, this negative goodwill is being credited to the profit and loss account over the same period as the assets are depreciated.

Other intangible assets are amortised over their useful life up to a maximum of 10 years.

**Investments**

Investment held as fixed assets are stated at cost less provision for any impairment.

**Consolidated accounts**

The directors have relied on the exemption from preparing group accounts under section 400 of the Companies Act 2006 as the Company is an intermediate parent undertaking within the Group headed by Noble Foods Group Limited, which prepares consolidated accounts for the Group. The financial statements therefore present information about the Company as an individual undertaking and not about its group.

**Cash flow statement**

The Company has taken advantage of the exemption not to prepare a cash flow statement as its ultimate parent company, Noble Foods Group Limited, produces a consolidated cash flow statement which includes the Company.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment.

Freehold land is not depreciated. Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives. The freehold land and buildings were professionally revalued by Bidwells property consultants on an existing use basis in July 2012. Individual freehold and leasehold properties are revalued every 3 years. In the years between the full valuations freehold land and buildings are included in the balance sheet at current value. Any surplus or deficit on book value arising from a full valuation is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets (continued)**

The rates of depreciation are as follows:

Freehold buildings	2-10% per annum
Plant and machinery, fixtures and fittings	2.5-25% per annum

**Leases and hire purchase contracts**

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is assessed on a first in first out basis and in the case of certain processed or partly processed stocks includes attributable overheads. The accumulated costs relating to the raising of livestock are included in stocks and the cost is spread over the laying lives of the flocks.

**Taxation**

The tax expense represents the sum of the corporation tax currently payable and the deferred tax.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Bank borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**Derivative financial instruments**

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

**Pension costs**

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**2. TURNOVER**

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. The turnover arises principally in the United Kingdom, and is attributable to the Company's principal activities. The directors are of the opinion that it would be seriously prejudicial to the interests of the Company if segmental information were disclosed.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**3. OPERATING PROFIT**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit is after charging/(crediting):</b>		
Depreciation of tangible fixed assets:		
- Owned assets	6,846	6,209
- Assets held under finance leases and hire purchase contracts	27	27
(Profit)/Loss on sale of fixed assets	(364)	297
Impairment of fixed assets	-	249
Amortisation of other intangible assets	437	2,342
Release of negative goodwill	(107)	(117)
Negative goodwill release on disposal	(13)	(787)
Rentals under operating leases		
- Hire of plant and machinery	892	1,142
- Other operating leases	5,409	5,708
Auditor's remuneration		
- Audit fees	132	132
- Other services	154	282
	<u>          </u>	<u>          </u>

Auditor's remuneration for audit fees represents fees payable to the Company's auditor for the audit of the Company's annual accounts.

The non-audit services in the current and prior year are other services relating to taxation.

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Directors' emoluments</b>		
Emoluments	2,636	1,152
Compensation for loss of office	150	-
Pension contributions	56	92
	<u>          </u>	<u>          </u>
	<u>2,842</u>	<u>1,244</u>

The remuneration of the highest paid director during the year was £1,538,293 (2013: £709,910) of which £496,840 (2013: £114,800) were accrued benefits in connection with incentives linked to long term business performance. Contributions due to pension schemes in the year in respect of the highest paid director were £22,824 (2013: £40,000).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)**

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
<b>Average number of persons employed (including directors)</b>		
Production	1,055	1,125
Sales and distribution	266	265
Administration	53	60
	<u>1,374</u>	<u>1,450</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	40,859	39,226
Social security costs	4,003	4,066
Pension costs	704	631
	<u>45,566</u>	<u>43,923</u>

None of the directors (2013: one) are members of the defined benefit pension scheme.

**5. INTEREST**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>a) Interest receivable and similar income</b>		
Group interest bearing loans	1,769	1,827
Net return on pension scheme	628	298
	<u>2,397</u>	<u>2,125</u>
<b>b) Interest payable and similar charges</b>		
Finance lease and other interest	7	9
Invoice financing and other interest	4,040	3,881
	<u>4,047</u>	<u>3,890</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>a) Analysis of charge in the year</b>		
<b>Current tax</b>		
United Kingdom corporation tax charge for the year	4,267	5,911
Adjustments in respect of prior periods	(676)	(171)
	<u>3,591</u>	<u>5,740</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	304	532
Effect of change in tax rate on opening liability	(54)	(62)
Adjustment in respect of FRS17	472	268
	<u>4,313</u>	<u>6,478</u>

**b) Factors affecting the tax charge for the year**

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 22% (2013: 23.5%). The actual tax charge for the year is different than that resulting from applying the standard rate for the reasons set out in the following reconciliation:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	18,706	26,052
Tax on profit on ordinary activities at standard rate	4,115	6,123
Effects of:		
Expenses not deductible for tax purposes	1,166	731
Differences between capital allowances and depreciation	84	(90)
Movement in short-term timing differences	(569)	(198)
Non taxable income	(332)	(541)
Group relief not paid for	(197)	(114)
Prior period adjustments	(676)	(171)
Current tax for the year (note 6a)	<u>3,591</u>	<u>5,740</u>

**c) Factors that may affect the future tax charge**

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £4,219,000 (2013: £4,430,000).

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £1,913,000 (2013: £2,134,000).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

**d) Change in tax rates**

On 26 March 2012 the UK Government substantively enacted a reduction in the standard rate of UK Corporation Tax to 24% with effect from 1 April 2012. A further reduction in the standard rate was provided for in the Finance Act 2012 reducing the main rate of corporation tax from 24% to 23% effective from 1 April 2013. This change was substantively enacted on 3 July 2012. The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

**7. INTANGIBLE FIXED ASSETS**

	Other intangible assets £'000	Goodwill £'000	Negative goodwill £'000	Total £'000
<b>Cost</b>				
At 1 October 2013	13,486	4,261	(10,963)	6,784
Additions	45	-	-	45
Disposals	-	-	39	39
At 30 September 2014	13,531	4,261	(10,924)	6,868
<b>Amortisation</b>				
At 1 October 2013	11,131	4,261	(5,651)	9,741
Charge for the year	437	-	(107)	330
Disposals	-	-	26	26
At 30 September 2014	11,568	4,261	(5,732)	10,097
<b>Net book value</b>				
At 30 September 2014	1,963	-	(5,192)	(3,229)
At 30 September 2013	2,355	-	(5,312)	(2,957)

Negative goodwill is credited to the profit and loss account over the useful economic life of the associated fixed assets.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**8. TANGIBLE FIXED ASSETS**

	<b>Land and buildings £'000</b>	<b>Plant, machinery, fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 October 2013	44,017	83,006	127,023
Additions	7,211	9,774	16,985
Disposals	(594)	(11,638)	(12,232)
At 30 September 2014	<u>50,634</u>	<u>81,142</u>	<u>131,776</u>
<b>Accumulated depreciation</b>			
At 1 October 2013	787	47,569	48,356
Charge for the year	668	6,205	6,873
Disposals	(14)	(8,387)	(8,401)
At 30 September 2014	<u>1,441</u>	<u>45,387</u>	<u>46,828</u>
<b>Net book value</b>			
At 30 September 2014	<u>49,193</u>	<u>35,755</u>	<u>84,948</u>
At 30 September 2013	<u>43,230</u>	<u>35,437</u>	<u>78,667</u>

Included in the total for land and buildings is an amount of £8,510,000 (2013: £8,356,000) relating to land that is not being depreciated.

The net book value of plant and machinery includes £37,000 (2013: £64,000) in respect of assets held under finance leases and hire purchase contracts.

Land and buildings were professionally valued at 3 July 2012 and subsequent additions have been recorded at cost.

Comparable amounts determined according to the historical cost convention:-

	<b>Land and buildings £'000</b>	<b>Plant, machinery, fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>2014</b>			
Cost	50,610	81,142	131,752
Accumulated depreciation	(17,189)	(45,387)	(62,576)
Net book value 30 September 2014	<u>33,421</u>	<u>35,755</u>	<u>69,176</u>
<b>2013</b>			
Cost	43,487	83,006	126,493
Accumulated depreciation	(16,539)	(47,569)	(64,108)
Net book value 30 September 2013	<u>26,948</u>	<u>35,437</u>	<u>62,385</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**9. INVESTMENTS**

	Other investments £'000	Shares in Subsidiary under- takings £'000	Total £'000
Cost at 1 October 2013 and 30 September 2014	1	121	122
Provision for impairment at 1 October 2013 and 30 September 2014	-	(111)	(111)
Net book value at 30 September 2014	1	10	11
Net book value at 30 September 2013	1	10	11

At 30 September 2014 the Company had the following investments in subsidiary undertakings.

Company	Nature of Business	Country of operation/ Incorporation	Share capital	Ordinary shares %
Dell Foods (Chilled Products) Limited *	Dormant	England & Wales	2 ordinary shares of £1	100
H D Hardie & Company Limited *	Dormant	Scotland	1 ordinary share of 25 pence	100
Daylay Foods Limited #	Dormant	England & Wales	1 ordinary share of £1	100
Noble Egg Limited (formerly Eggworld Limited)	Dormant	England & Wales	1 ordinary share of £1	100
Noble Foods Inc	Eggs	United States of America	1000 ordinary shares of \$0.01	100
Goldenlay Foods Limited	Dormant	England & Wales	10000 ordinary shares of £1	100
Goldenlay Limited *	Dormant	England & Wales	2 ordinary shares of £1	100

\* Dissolved subsequent to 30 September 2014.

# Application in progress to dissolve.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**10. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Livestock	5,380	5,771
Raw materials and consumables	6,248	7,931
Finished goods and goods for resale	3,348	4,360
	<u>14,976</u>	<u>18,062</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

**11. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	48,889	65,107
Amount due from Group Companies	53,211	58,741
VAT recoverable	1,640	2,496
Other debtors	5,843	1,151
Prepayments and accrued income	15,048	3,049
	<u>124,631</u>	<u>130,544</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	-	-
	<u>-</u>	<u>-</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under hire purchase contracts and finance leases (note 15)	27	27
Trade creditors	56,042	55,434
Corporation tax	2,029	2,646
Other taxes and social security	1,566	1,736
Other creditors	4,647	2,403
	<u>64,311</u>	<u>62,246</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans (note 14)	85,000	75,000
Obligations under hire purchase contracts and finance leases (note 15)	10	37
Other loans (note 14)	16,694	28,597
	<u>101,704</u>	<u>103,634</u>

Other loans of £16,694,000 (2013: £28,597,000) represent amounts due under an invoice financing arrangement. Obligations under hire purchase and finance leases are secured on the underlying assets.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**14. BANK LOANS AND OVERDRAFT**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	85,000	75,000
Other loans	16,694	28,597
	<u>101,694</u>	<u>103,597</u>
<b>Analysed in the balance sheet as:</b>		
Within one year	-	-
After more than one year	101,694	103,597
	<u>101,694</u>	<u>103,597</u>
<b>Analysis of bank loan and overdraft repayments:</b>		
Within one year	-	-
Between one and two years	85,000	75,000
Between two and five years	-	-
	<u>85,000</u>	<u>75,000</u>
<b>Analysis of other loan repayments:</b>		
Within one year	-	-
Between one and two years	16,694	28,597
Between two and five years	-	-
	<u>16,694</u>	<u>28,597</u>

The bank loans are secured by a fixed charge on the group's assets and a floating charge on the undertaking and assets of the group.

Other loans comprise £16,694,000 (2013: £28,597,000) due under an invoice financing arrangement secured against trade debtors of the Company. Under the invoice financing arrangement the Company has borrowing facilities of up to 90% of approved debts.

Interest on the bank loans and invoice discounting facility was charged up to 3.4% above the three month London Interbank Offered Rate.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND FINANCE LEASE AGREEMENTS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Analysis of repayments:		
In one year or less	34	34
In more than one year but not more than two years	14	34
In more than two years but not more than five years	-	14
	<u>48</u>	<u>82</u>
Less future finance charges	(11)	(18)
	<u>37</u>	<u>64</u>

**16. PROVISIONS FOR LIABILITIES**

	<b>Deferred taxation £'000</b>	<b>Onerous contract £'000</b>	<b>Total £'000</b>
At 1 October 2013	1,135	853	1,988
Charged to the profit and loss account	250	-	250
Utilised	-	(853)	(853)
	<u>1,385</u>	<u>-</u>	<u>1,385</u>
At 30 September 2014			

During the year the Company completed the obligations under an agreement entered into in 2013 whereby the short term costs of fulfilling the contract obligations exceeded the economic benefits.

The deferred taxation balance consists of the following amounts:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Differences between capital allowances and depreciation	1,778	1,524
Other timing differences	(393)	(389)
	<u>1,385</u>	<u>1,135</u>

**17. CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Authorised, called up, allotted and fully paid 1,000,000 ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**18. DIVIDENDS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Dividends paid of £16.00 (2013: £22.00) per ordinary share	<u>16,000</u>	<u>22,000</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**19. CAPITAL COMMITMENTS**

At 30 September the company had the following capital commitments:

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Contracted but not provided	271	13,101

**20. FINANCIAL COMMITMENTS**

At 30 September the company was committed to making the following payments during the next year in respect of operating leases:

	<b>2014</b> <b>Land and</b> <b>buildings</b> <b>£'000</b>	<b>2014</b> <b>Other</b> <b>£'000</b>	<b>2013</b> <b>Land and</b> <b>buildings</b> <b>£'000</b>	<b>2013</b> <b>Other</b> <b>£'000</b>
Leases which expire:				
Within one year	22	623	69	282
Within one to two years	150	596	94	617
Within two to five years	198	1,241	138	1,713
After more than five years	-	722	140	192
	<u>370</u>	<u>3,182</u>	<u>441</u>	<u>2,804</u>

**21. PENSION SCHEMES**

Noble Foods Limited operates a defined contribution pension scheme for all eligible employees. Contributions made to the defined contribution pension scheme during the year were £752,000 (2013: £707,000). It also has a defined benefit pension scheme which is closed to new members and closed to future accruals.

The defined benefit pension scheme assets are held in a separate Trustee-administered fund in order to meet the long term pension liabilities to past and present employees. The Trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries, the appointment of Trustees to the Scheme is determined by the Scheme's trust documentation. The liabilities of the defined benefit scheme are measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the projected unit method. This amount is reflected in the balance sheet.

As at 30 September 2014 contributions are payable to the Scheme by the Company at the rates set out in the Schedule of Contributions dated 5 February 2013. The estimated amounts of contributions expected to be paid to the scheme during the 2015 financial period is £1.5million.

The Scheme position as reflected in these accounts has been calculated based upon the most recent full actuarial valuation at 5 April 2012, updated to 30 September 2014, carried out by David Jarman, Fellow of the Institute of Actuaries, a suitably qualified independent actuary.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**21. PENSION SCHEMES (CONTINUED)**

The principal actuarial assumptions (absolute terms) at the balance sheet date were:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Discount rate	3.95%	4.50%
Expected return on plan assets	5.70%	6.20%
Retail price inflation	3.50%	3.55%
Consumer price inflation	2.70%	2.80%
Salary growth – Executives	n/a	n/a
Salary growth – Non executives	n/a	n/a
Rate of increase in pensions in payment – Pre April 2005 Pension	3.25%	3.30%
Rate of increase in pensions in payment – Post April 2005 Pension	2.10%	2.10%
Mortality	95% S2, CMI 2013 1.5%	S1 Px A, YoB, LC with 1% pa min. improvement

The major categories of plan assets as a percentage of total plan assets are as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Equities / Properties	67.5%	74.8%
Bonds	31.9%	23.5%
Cash	0.6%	1.7%
	100%	100%

The amounts recognised in the balance sheet are as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Present value of funded obligations	(33,598)	(30,992)
Fair value of plan assets	34,697	32,081
Restriction on the amount that can be recognised as an asset	(1,099)	(1,089)
Deficit	-	-
Related deferred tax asset	-	-
Net liability	-	-
<b>Amounts in the balance sheet</b>		
Liabilities	-	-
Net liability	-	-

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**21. PENSION SCHEMES (CONTINUED)**

The total expense recognised in the profit and loss account are as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Current service cost	-	-
Interest on obligation	1,372	1,201
Expected return on pension scheme assets	(2,000)	(1,499)
Adjustments on curtailments and settlements	-	-
	<b>(628)</b>	<b>(298)</b>

Changes in the present value of the defined benefit obligation are as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Opening defined benefit obligation	30,992	28,085
Service cost	-	-
Employee contributions	-	-
Interest cost	1,372	1,201
Actuarial losses	2,256	3,306
Adjustments on curtailment and settlements	-	-
Benefits paid	(1,022)	(1,600)
<b>Closing defined benefit obligation</b>	<b>33,598</b>	<b>30,992</b>

Changes in the fair value of plan assets are as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Opening fair value of plan assets	32,081	29,196
Expected return	2,000	1,499
Actuarial gains	117	2,143
Employer contributions	1,521	843
Employee contributions	-	-
Benefits paid	(1,022)	(1,600)
<b>Closing fair value of plan assets</b>	<b>34,697</b>	<b>32,081</b>
Actual return on plan assets	2,117	3,642

Statement of Total Recognised Gains and Losses (STRGL):

	<b>2014 £'000</b>	<b>2013 £'000</b>
Actuarial losses for the year	(2,139)	(1,163)
Increase/(Decrease) in the restriction on the amount that can be recognised as an asset	(10)	22
<b>Cumulative amount of actuarial gains and losses recognised in the STRGL*</b>	<b>(6,226)</b>	<b>(4,077)</b>

\* Since FRS 17 disclosures in 2002/03



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**21. PENSION SCHEMES (CONTINUED)**

The five year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligation	(33,598)	(30,992)	(28,085)	(26,868)	(30,044)
Fair value of plan assets	34,697	32,081	29,196	25,839	28,898
Surplus restriction	(1,099)	(1,089)	(1,111)	-	-
Deficit	-	-	-	(1,029)	(1,146)
Experience adjustments on plan liabilities	(239)	99	422	(87)	308
Changes in the assumptions underlying the present value of scheme liabilities	(2,017)	(3,405)	(1,500)	1,504	(2,551)
Experience adjustments on plan assets	117	2,143	2,381	(2,925)	1,723

**22. DERIVATIVES NOT INCLUDED AT FAIR VALUE**

The Company has derivatives which are not included at fair value in the accounts:

	Principal £'000	Fair value 2014 £'000	Fair value 2013 £'000
Interest rate swap contracts	60,000	(92)	(205)

The Company uses the derivatives to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date. The interest rate swap contracts with nominal values of £60 million have fixed interest payments at an average rate of 0.85 per cent for periods up until 2015 and have floating interest receipts at LIBOR.

**23. DISCONTINUED ACTIVITIES**

During the year the Company transferred non core activities to a related party (see note 25). Turnover of the non core activities prior to the transfer was £19,328,000 (2013: £48,173,000), gross margin was £2,339,000 (2013: £5,015,000) and the operating loss was £439,000 (2013: £236,000).

**24. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY**

The immediate parent company is Noble Foods Holdings Limited and the ultimate holding company is Noble Foods Group Limited, both incorporated in Great Britain. Copies of the group accounts can be obtained from Noble Foods Group Limited, Bridgeway House, Icknield Way, Tring, Hertfordshire, HP23 4JX.

Noble Foods Group Limited is the smallest and largest company that prepares consolidated accounts including Noble Foods Limited.

The voting share capital of Noble Foods Group Limited is owned 50% by M R J Kent, 49% by Phase Investments and 1% by P D Dean and these are therefore considered as the ultimate controlling parties.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 30 September 2014**

**25. RELATED PARTY TRANSACTIONS**

In accordance with Financial Reporting Standard No.8 “Related Party Disclosures”, transactions with other group undertakings within, and investee related parties of, the Noble Foods Group Limited group have not been disclosed in these financial statements.

Gubblecote Properties Ltd provided consultancy services to the Company totalling £494,790 (2013: £488,879) during the year. P D Dean is an employee of Gubblecote Properties Ltd. The Company rented a number of properties from P D Dean, total rentals during the year were £58,000 (2013: £55,600). The Company also rented a property from the Dean Family Discretionary Settlement, rentals paid during the year were £10,000 (2013: £10,000). P D Dean was not required to make any contributions to any Group Company during the year in respect of private usage of Company assets (2013: £nil). During the year the Company received £7,291,000 (2013:nil) in respect of the sale of receivables to Noble Pullet Finance Limited, a company in which P D Dean is materially interested as a shareholder, the sales were made on a normal trading basis.

During the year the Company purchased services to the value of £159,000 (2013: £235,078) from Bulbourne Insurance Services Ltd, a company in which P D Dean and M R J Kent are materially interested as shareholders. The purchases were made on a normal trading basis. In addition, the Company paid £426,000 (2013: £440,000) to a third party insurance broker in respect of policies placed with Bulbourne Insurance Services Ltd.

During the year the Company sold fixed assets to the value of £3,300,000 (2013: nil), stock to the value of £1,901,663 (2013: nil) and goods on a normal trading basis to the value of £9,954,000 (2013: nil) to Noble Egg Innovations, a company in which P D Dean and M R J Kent are the ultimate controlling parties. At the year end Noble Egg Innovations had not made any payments in respect of the fixed assets and stock transactions. In addition the Company also received £727,000 (2013: nil) in respect of services provided to Noble Egg Innovations on an arms length basis.

Balerno International Ltd (“Balerno”) provided no consultancy or other services to the Company during the year (2013: nil). Balerno is owned by M R J Kent. M R J Kent was not required to make any contributions to any Group Company during the year in respect of private usage of Company assets (2013: nil).

**26. CONTINGENT LIABILITY**

The company has guaranteed by way of a fixed and floating charge over its assets, the bank borrowings of its parent company and other group companies.