

## COMPANIES HOUSE

**FEED FACTORS INTERNATIONAL LIMITED**

**FINANCIAL STATEMENTS**

**30 NOVEMBER 2012**



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04/06/2013

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COMPANIES HOUSE



**MHA MacIntyre Hudson**

GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE\*

# **FEED FACTORS INTERNATIONAL LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2012**

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# **FEED FACTORS INTERNATIONAL LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

R Sharon  
S E Lawrence

**Company secretary**

S M Okhar

**Registered office**

118-122 College Road  
Harrow  
Middlesex  
HA1 1BQ

**Auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
& Statutory Auditor  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

# **FEED FACTORS INTERNATIONAL LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 NOVEMBER 2012**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2012

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company was to trade in agricultural raw materials, bringing animal feed ingredients from the countries of production to the most important markets of Europe and the Mediterranean. Turnover increased by 44%, but owing to tight control over costs and overheads, margin improved, and there was an increase in pre tax profit of 68%. The directors will continue to be extremely selective in the business they choose to participate in, with maximum focus on profit margins.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,054,155. Particulars of dividends paid are detailed in note 8 to the financial statements.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company is exposed to the risks of commodity price and freight rate fluctuations, which are carefully monitored, and evaluated on a regular basis. Trade takes place with regular trading partners, both suppliers and consumers, and therefore the risk of defaults are minimal.

### **DIRECTORS**

The directors who served the company during the year were as follows:

R Sharon  
S E Lawrence

### **DIRECTORS' RESPONSIBILITIES**

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 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 year.

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# FEED FACTORS INTERNATIONAL LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 30 NOVEMBER 2012

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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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



R Sharon  
Director

Approved by the directors on 24-5-13

# **FEED FACTORS INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FEED FACTORS INTERNATIONAL LIMITED**

**YEAR ENDED 30 NOVEMBER 2012**

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We have audited the financial statements of Feed Factors International Limited for the year ended 30 November 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders 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 shareholders 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 set out on pages 2 to 3, 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 annual report to identify material inconsistencies with the audited financial statements. 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 November 2012 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.

# FEED FACTORS INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FEED FACTORS INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2012

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### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

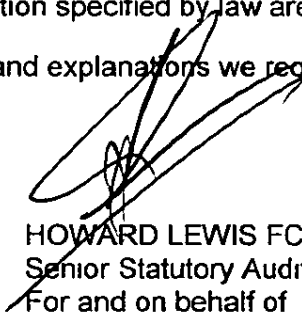
### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

28.05.2013



HOWARD LEWIS FCA  
Senior Statutory Auditor  
For and on behalf of  
MHA MACINTYRE HUDSON  
Chartered Accountants  
& Statutory Auditor

# FEED FACTORS INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	<b>2</b>	<b>46,978,447</b>	32,461,550
Cost of sales		<u>45,307,831</u>	<u>31,332,997</u>
<b>GROSS PROFIT</b>		<b>1,670,616</b>	1,128,553
Administrative expenses		<u>227,862</u>	<u>253,884</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>1,442,754</b>	874,669
Interest receivable		<u>6</u>	—
Interest payable and similar charges	<b>6</b>	<b>(43,613)</b>	(43,348)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,399,147</b>	831,321
Tax on profit on ordinary activities	<b>7</b>	<b>344,992</b>	211,606
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>1,054,155</u></b>	<u>619,715</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 15 form part of these financial statements

# FEED FACTORS INTERNATIONAL LIMITED

## BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	£	2011 £	£
<b>CURRENT ASSETS</b>					
Stocks	9	1,650,333		—	
Debtors	10	904,001		1,752,462	
Cash at bank		771,848		1,511,684	
		<u>3,326,182</u>		<u>3,264,146</u>	
<b>CREDITORS: Amounts falling due within one year</b>					
	11	<u>1,423,572</u>		<u>2,115,691</u>	
<b>NET CURRENT ASSETS</b>			<u>1,902,610</u>		<u>1,148,455</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,902,610</u>		<u>1,148,455</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	12		<u>400,000</u>		<u>400,000</u>
			<u>1,502,610</u>		<u>748,455</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	14		<u>71,000</u>		<u>71,000</u>
Profit and loss account	15		<u>1,431,610</u>		<u>677,455</u>
<b>SHAREHOLDERS' FUNDS</b>	16		<u>1,502,610</u>		<u>748,455</u>

These financial statements were approved by the directors and authorised for issue on 24-5-13, and are signed on their behalf by



R Sharon  
Director

Company Registration Number 04455276

The notes on pages 9 to 15 form part of these financial statements

# FEED FACTORS INTERNATIONAL LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2012

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	Note	2012	2011
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	219,345	114,299
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		6	—
Interest paid		<u>(43,613)</u>	<u>(43,348)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(43,607)	(43,348)
TAXATION		(211,605)	(10,813)
EQUITY DIVIDENDS PAID		(300,000)	(200,000)
DECREASE IN CASH	18	<u>(335,867)</u>	<u>(139,862)</u>

The notes on pages 9 to 15 form part of these financial statements

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# **FEED FACTORS INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2012**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

#### **Turnover**

Turnover is recognized when goods are released to the customer in accordance with the terms of the contract. The two contract terms most commonly used are CIF (cost, insurance and freight) and FOB (free on board). CIF contracts are recognized at the date of the bill of lading, when goods are upon the vessel for shipment. However the responsibility for the goods during the voyage remains with the company until the delivery to the customer's destination port. FOB contracts are also recognized at the bill of lading date but the responsibility for the goods in shipment passes to the customer once the goods are loaded onto the vessel at the port of origin. Occasionally contracts are on a "delivered" basis, in which case the sale is recognized upon delivery to the customer's destination port.

Turnover is stated exclusive of Value Added Tax.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 1. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	3,021,309	3,124,331
Overseas	43,957,138	29,337,219
	<u>46,978,447</u>	<u>32,461,550</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Auditor's remuneration - as auditor	<u>4,000</u>	<u>4,000</u>

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Number of selling and distribution staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	90,000	94,000
Social security costs	10,787	10,787
Other pension costs	9,000	9,750
	<u>109,787</u>	<u>114,537</u>

# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	90,000	93,681
Value of company pension contributions to money purchase schemes	9,000	9,750
	<u>99,000</u>	<u>103,431</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>1</u>	<u>1</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest payable on bank borrowing	<u>43,613</u>	<u>43,348</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24 67% (2011 - 26 67%)	344,992	211,606
Total current tax	<u>344,992</u>	<u>211,606</u>

# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24.67% (2011 - 26.67%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>1,399,147</u>	<u>831,321</u>
Profit on ordinary activities by rate of tax	345,123	221,655
Expenses not deductible for tax purposes	999	505
Marginal relief	(1,130)	(10,554)
Total current tax (note 7(a))	<u>344,992</u>	<u>211,606</u>

### 8. DIVIDENDS

#### Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>300,000</u>	<u>200,000</u>
Proposed after the year end (not recognised as a liability)		
Equity dividends on ordinary shares	<u>600,000</u>	<u>300,000</u>

### 9. STOCKS

	2012 £	2011 £
Stock	<u>1,650,333</u>	<u>—</u>

### 10. DEBTORS

	2012 £	2011 £
Trade debtors	22,373	1,743,886
Other debtors	647,313	8,576
Prepayments and accrued income	234,315	—
	<u>904,001</u>	<u>1,752,462</u>

# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 11. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Overdrafts	741,243	1,145,212
Trade creditors	–	525,217
Corporation tax	344,992	211,605
Other creditors	28,500	89,072
Accruals and deferred income	308,837	144,585
	<u>1,423,572</u>	<u>2,115,691</u>

The company's overdrafts are secured by way of a floating charge over the assets of the company

### 12. OTHER PROVISIONS

	2012 £
<b>Provisions:</b>	
Balance brought forward	<u>400,000</u>

Other provisions represent amounts provided to cover the cost of claims made against the company by third parties in the normal course of business

### 13. RELATED PARTY TRANSACTIONS

50% of the company's shares are held by Feed Factors Limited, a company of which R Sharon is a director and the majority shareholder

The balance owed by Feed Factors Limited as at 30 November 2012 was £640,318 (2011 £89,072 payable) This is included in other debtors

Included in administration expenses is an amount of £49,166 (2011 £40,000) in respect of management charges payable to Feed Factors Limited

During the year dividends of £150,000 (2011 £100,000) were paid to S E Lawrence, a director and shareholder, and dividends of £150,000 (2011 £100,000) were paid to Feed Factors Limited

The directors consider that the company has no controlling party

### 14. SHARE CAPITAL

#### Authorised share capital:

	2012 £	2011 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 14. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
71,000 Ordinary shares of £1 each	<u>71,000</u>	<u>71,000</u>	<u>71,000</u>	<u>71,000</u>

### 15. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	677,455	257,740
Profit for the financial year	1,054,155	619,715
Equity dividends	<u>(300,000)</u>	<u>(200,000)</u>
Balance carried forward	<u>1,431,610</u>	<u>677,455</u>

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	1,054,155	619,715
Equity dividends	<u>(300,000)</u>	<u>(200,000)</u>
Net addition to shareholders' funds	754,155	419,715
Opening shareholders' funds	<u>748,455</u>	<u>328,740</u>
Closing shareholders' funds	<u>1,502,610</u>	<u>748,455</u>

### 17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	1,442,754	874,669
Increase in stocks	<u>(1,650,333)</u>	<u>—</u>
Decrease/(increase) in debtors	848,461	(39,660)
Decrease in creditors	<u>(421,537)</u>	<u>(720,710)</u>
Net cash inflow from operating activities	<u>219,345</u>	<u>114,299</u>

# FEED FACTORS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2012

### 18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	2011 £
Decrease in cash in the period	(335,867)	(139,862)
Movement in net funds in the period	(335,867)	(139,862)
Net funds at 1 December 2011	366,472	506,334
Net funds at 30 November 2012	30,605	366,472

### 19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 2011 £	Cash flows £	At 30 Nov 2012 £
Net cash			
Cash in hand and at bank	1,511,684	(739,836)	771,848
Overdrafts	(1,145,212)	403,969	(741,243)
Net funds	366,472	(335,867)	30,605