

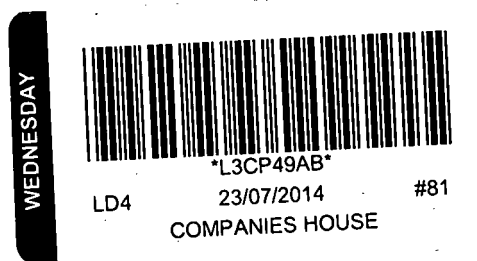


Registered number: 04455276

## FEED FACTORS INTERNATIONAL LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2013



**MHA MacIntyre Hudson**  
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

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**FEED FACTORS INTERNATIONAL LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Mr S Lawrence Mr R Sharon
<b>COMPANY SECRETARY</b>	Mr S M Okhai
<b>REGISTERED NUMBER</b>	04455276
<b>REGISTERED OFFICE</b>	118-122 College Road Harrow Middlesex HA1 1BQ
<b>INDEPENDENT AUDITORS</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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## FEED FACTORS INTERNATIONAL LIMITED

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### CONTENTS

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	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Cash flow statement</b>	8
<b>Notes to the financial statements</b>	9 - 15
The following pages do not form part of the statutory financial statements:	
<b>Detailed profit and loss account and summaries</b>	16 - 18

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## FEED FACTORS INTERNATIONAL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013

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The directors have pleasure in presenting their strategic report and the financial statements of the company for the year ended 30 November 2013.

#### BUSINESS REVIEW

The company achieved a profit after tax of £746,150 for the year representing a return of approximately 50% on capital employed. At the balance sheet date, the company's net asset position had increased by approximately £146,000.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The main KPIs are turnover and gross profit margin. As shown in the profit and loss account, turnover in 2013 was lower than 2012 but the gross profit margin was consistent.

#### RISK MANAGEMENT POLICY

The company mitigates its business risk by being highly selective in the type of business in which it becomes involved, procuring goods only from long-standing suppliers and marketing to reputable customers. The company trades only in grain and animal feed ingredients, a sector in which it has substantial experience and expertise.

Foreign currency risk is managed by buying and selling in the same currency or by entering into forward exchange contracts with the company's bankers.

Cash flow is carefully managed such that cash and borrowing facilities are always sufficient for the trading volumes undertaken.

#### FUTURE DEVELOPMENTS

The company's strategy is to continuously seek opportunities to undertake profitable transactions which are acceptable under its risk management policy. There is no plan other than to follow that strategy.

This report was approved by the board on *1<sup>st</sup> July 2014* and signed on its behalf.



**Mr R Sharon**  
Director

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## FEED FACTORS INTERNATIONAL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013

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The directors present their report and the financial statements for the year ended 30 November 2013.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 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;
- 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.

#### PRINCIPAL ACTIVITIES

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.

#### RESULTS

The profit for the year, after taxation, amounted to £746,150 (2012 - £1,054,154).

#### DIRECTORS

The directors who served during the year were:

Mr S Lawrence  
Mr R Sharon

#### FUTURE DEVELOPMENTS

Enter text here

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Commodity prices and freight rate fluctuations 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.

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**FEED FACTORS INTERNATIONAL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *1<sup>st</sup> July 2014* and signed on its behalf.



**Mr R Sharon**  
Director

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## **FEED FACTORS INTERNATIONAL LIMITED**

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

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We have audited the financial statements of Feed Factors International Limited for the year ended 30 November 2013, which comprise the Profit and loss account, the Balance sheet, the 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 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 Auditors' 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, 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 Strategic report and the Directors' 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 November 2013 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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FEED FACTORS INTERNATIONAL LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FEED FACTORS INTERNATIONAL LIMITED

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**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.



Howard Lewis FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

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

Date: 23 July 2014



**FEED FACTORS INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1	<b>35,600,686</b>	<b>46,978,447</b>
Cost of sales		<b>(34,380,553)</b>	<b>(45,307,833)</b>
<b>GROSS PROFIT</b>		<b>1,220,133</b>	<b>1,670,614</b>
Administrative expenses		<b>(229,163)</b>	<b>(227,861)</b>
<b>OPERATING PROFIT</b>	3	<b>990,970</b>	<b>1,442,753</b>
Interest receivable and similar income		-	6
Interest payable and similar charges	6	<b>(23,118)</b>	<b>(43,613)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>967,852</b>	<b>1,399,146</b>
Tax on profit on ordinary activities	7	<b>(221,702)</b>	<b>(344,992)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>746,150</b>	<b>1,054,154</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.


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

**FEED FACTORS INTERNATIONAL LIMITED**  
**REGISTERED NUMBER: 04455276**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>CURRENT ASSETS</b>					
Stocks	8	-		1,650,333	
Debtors	9	2,341,185		904,000	
Cash at bank		1,869,030		771,848	
		<u>4,210,215</u>		<u>3,326,181</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(2,469,702)		(1,423,572)	
<b>NET CURRENT ASSETS</b>			<u>1,740,513</u>		<u>1,902,609</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,740,513</u>		<u>1,902,609</u>
<b>PROVISIONS FOR LIABILITIES</b>	11		(91,754)		(400,000)
<b>NET ASSETS</b>			<u><u>1,648,759</u></u>		<u><u>1,502,609</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		71,000		71,000
Profit and loss account	13		1,577,759		1,431,609
<b>SHAREHOLDERS' FUNDS</b>	14		<u><u>1,648,759</u></u>		<u><u>1,502,609</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

01 July 2014  


Mr R Sharon  
Director

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

**FEED FACTORS INTERNATIONAL LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	16	2,098,632	219,343
Returns on investments and servicing of finance	17	(23,118)	(43,607)
Taxation		(344,993)	(211,605)
Equity dividends paid		(600,000)	(300,000)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>1,130,521</b>	<b>(335,869)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	1,130,521	(335,869)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>1,130,521</b>	<b>(335,869)</b>
Other non-cash changes	-	2
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>1,130,521</b>	<b>(335,867)</b>
Net funds at 1 December 2012	30,605	366,472
<b>NET FUNDS AT 30 NOVEMBER 2013</b>	<b>1,161,126</b>	<b>30,605</b>

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

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## FEED FACTORS INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2013

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised 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 (fee on board). CIF contracts are recognised at the date of 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 recognised 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 recognised upon delivery to the customer's destination port.

##### 1.3 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

##### 1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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## FEED FACTORS INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2013

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 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.

##### 1.7 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 whole of the turnover is attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2013 £	2012 £
United Kingdom	3,485,327	3,021,309
Rest of world	32,115,359	43,957,138
	<u>35,600,686</u>	<u>46,978,447</u>

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Auditors' remuneration	<u>5,000</u>	<u>4,000</u>

**FEED FACTORS INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	109,333	90,000
Social security costs	12,569	10,787
Other pension costs	9,000	9,000
	<u>130,902</u>	<u>109,787</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Selling and distribution staff	<u>2</u>	<u>1</u>

**5. DIRECTORS' REMUNERATION**

	2013 £	2012 £
Remuneration	<u>96,667</u>	<u>90,000</u>
Company pension contributions to defined contribution pension schemes	<u>9,000</u>	<u>9,000</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

**6. INTEREST PAYABLE**

	2013 £	2012 £
On bank loans and overdrafts	<u>23,118</u>	<u>43,613</u>

**7. TAXATION**

	2013 £	2012 £
UK corporation tax charge on profit for the year	<u>221,702</u>	<u>344,992</u>

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**FEED FACTORS INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**7. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 23.33% (2012 - 24.67%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	967,852	1,399,146
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.33% (2012 - 24.67%)	225,800	345,169
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	323	999
Marginal relief	(4,421)	(1,176)
<b>Current tax charge for the year</b> (see note above)	221,702	344,992

**8. STOCKS**

	2013 £	2012 £
Raw materials	-	1,650,333

**9. DEBTORS**

	2013 £	2012 £
Trade debtors	2,327,491	22,372
Amounts owed by undertakings in which the company has a participating interest	-	640,318
Other debtors	13,694	6,995
Prepayments and accrued income	-	234,315
	2,341,185	904,000

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**FEED FACTORS INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**10. CREDITORS:**

**Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	707,904	741,243
Trade creditors	1,257,383	-
Corporation tax	221,702	344,992
Other taxation and social security	5,755	-
Other creditors	-	28,500
Accruals and deferred income	276,958	308,837
	<u>2,469,702</u>	<u>1,423,572</u>

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

**11. OTHER PROVISIONS:**

	2013 £	2012 £
Provisions	<u>91,754</u>	<u>400,000</u>

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

**12. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
71,000 Ordinary shares of £1 each	<u>71,000</u>	<u>71,000</u>

**13. RESERVES**

	Profit and loss account £
At 1 December 2012	1,431,609
Profit for the financial year	746,150
Dividends: Equity capital	(600,000)
At 30 November 2013	<u>1,577,759</u>



**FEED FACTORS INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	1,502,609	748,455
Profit for the financial year	746,150	1,054,154
Dividends (Note 15)	(600,000)	(300,000)
Closing shareholders' funds	<u>1,648,759</u>	<u>1,502,609</u>

**15. DIVIDENDS**

	2013 £	2012 £
Dividends paid on equity capital	<u>600,000</u>	<u>300,000</u>

**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating profit	990,970	1,442,753
Decrease/(increase) in stocks	1,650,333	(1,650,333)
(Increase)/decrease in debtors	(2,077,502)	1,488,778
Decrease/(increase) in amounts owed by joint ventures	640,318	(640,318)
Increase/(decrease) in creditors	894,513	(21,537)
Decrease in provisions	-	(400,000)
Net cash inflow from operating activities	<u>2,098,632</u>	<u>219,343</u>

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	6
Interest paid	(23,118)	(43,613)
Net cash outflow from returns on investments and servicing of finance	<u>(23,118)</u>	<u>(43,607)</u>

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FEED FACTORS INTERNATIONAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2013

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18. ANALYSIS OF CHANGES IN NET FUNDS

	1 December 2012 £	Cash flow £	Other non-cash changes £	30 November 2013 £
Cash at bank and in hand	771,848	1,097,182	-	1,869,030
Bank overdraft	(741,243)	33,339	-	(707,904)
<b>Net funds</b>	<b>30,605</b>	<b>1,130,521</b>	<b>-</b>	<b>1,161,126</b>

19. RELATED PARTY TRANSACTIONS

Feed Factors Limited sold its 50% shareholding in the company to Mr R Sharon, a director of both companies and a shareholder of Feed Factors Limited, in August 2013 for £915,000. Mr R Sharon continues as a director of both companies.

The company made a sale to Feed Factors Limited for £771,575 (2012: £1,839,453) during the period.

The balance owed by Feed Factors Limited as at 30 November 2013 was £8,648 (2012: £640,318 payable). This is included in other debtors.

Included in administration expenses is an amount of £50,000 (2012: £49,166) in respect of management charges payable to Feed Factors Limited.

During the year dividends of £300,000 (2012: £150,000) were paid to S E Lawrence, a director and shareholder, and dividends of £300,000 (2012: £150,000) were paid to Feed Factors Limited.

The directors consider that the company has no controlling party.

20. POST BALANCE SHEET EVENTS

At the balance sheet date the company had forward contracts to purchase foreign currencies with a sterling value of £774,203 (2012: £nil).