

COMPANIES HOUSE

FEED FACTORS INTERNATIONAL LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

FRIDAY



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COMPANIES HOUSE



MHA MacIntyre Hudson
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FEED FACTORS INTERNATIONAL LIMITED

COMPANY INFORMATION

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

FEED FACTORS INTERNATIONAL LIMITED

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FEED FACTORS INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

The directors have pleasure in presenting their strategic report and the financial statements of the company for the year ended 30 November 2014.

BUSINESS REVIEW

The company achieved a profit after tax of £587,976 (2013: £746,150) for the year representing a return of 33.5% (2013: 56.9%) on capital employed. At the balance sheet date, the company's net asset position had increased by approximately £467,976.

FINANCIAL KEY PERFORMANCE INDICATORS

The main KPIs are turnover and gross profit margin. As shown in the Profit and loss account, turnover in 2014 fell by 19.1% from £35.6 million in 2013 to £28.8 million in 2014. However, the gross profit margin was consistent with previous years at 3.75% (2013: 3.43%).

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.

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.

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 02.06.2015

and signed on its behalf.

Mr R Sharon
Director



FEED FACTORS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

The directors present their report and the financial statements for the year ended 30 November 2014.

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 £587,976 (2013 - £746,150).

DIRECTORS

The directors who served during the year were:

Mr S Lawrence
Mr R Sharon

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.

FEED FACTORS INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2014

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 02.06.2015 and signed on its behalf.



Mr R Sharon
Director

FEED FACTORS INTERNATIONAL LIMITED

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

We have audited the financial statements of Feed Factors International Limited for the year ended 30 November 2014, 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 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FEED FACTORS INTERNATIONAL LIMITED

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

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: 03-06-2015.

FEED FACTORS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2014

	Note	2014 £	2013 £
TURNOVER	1	28,785,591	35,600,686
Cost of sales		<u>(27,706,595)</u>	<u>(34,380,553)</u>
GROSS PROFIT		1,078,996	1,220,133
Administrative expenses		<u>(309,722)</u>	<u>(229,163)</u>
OPERATING PROFIT	3	769,274	990,970
Interest payable and similar charges	6	<u>(22,206)</u>	<u>(23,118)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		747,068	967,852
Tax on profit on ordinary activities	7	<u>(159,092)</u>	<u>(221,702)</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u>587,976</u>	<u>746,150</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 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 2014

	Note	£	2014 £	£	2013 £
CURRENT ASSETS					
Debtors	8	2,379,528		2,341,185	
Cash at bank		3,704,024		1,869,030	
		<u>6,083,552</u>		<u>4,210,215</u>	
CREDITORS: amounts falling due within one year	9	<u>(3,785,547)</u>		<u>(2,469,702)</u>	
NET CURRENT ASSETS			<u>2,298,005</u>		<u>1,740,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,298,005</u>		<u>1,740,513</u>
PROVISIONS FOR LIABILITIES	10		<u>(181,270)</u>		<u>(91,754)</u>
NET ASSETS			<u><u>2,116,735</u></u>		<u><u>1,648,759</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		71,000		71,000
Profit and loss account	12		<u>2,045,735</u>		<u>1,577,759</u>
SHAREHOLDERS' FUNDS	13		<u><u>2,116,735</u></u>		<u><u>1,648,759</u></u>

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



02.06.2015

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 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	15	888,412	2,098,633
Returns on investments and servicing of finance	16	(22,206)	(23,118)
Taxation		(221,702)	(344,993)
Equity dividends paid		(120,000)	(600,000)
INCREASE IN CASH IN THE YEAR		524,504	1,130,522

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 NOVEMBER 2014**

	2014 £	2013 £
Increase in cash in the year	524,504	1,130,522
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	524,504	1,130,522
Other non-cash changes	-	(1)
MOVEMENT IN NET DEBT IN THE YEAR	524,504	1,130,521
Net funds at 1 December 2013	1,161,126	30,605
NET FUNDS AT 30 NOVEMBER 2014	1,685,630	1,161,126

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

FEED FACTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

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 (free on board). CIF contracts are recognised at the date of bill of lading, when goods are loaded onto 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 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.

1.4 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.

1.5 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.

FEED FACTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 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:

	2014 £	2013 £
United Kingdom	6,905,332	3,485,327
Rest of world	21,880,259	32,115,359
	<u>28,785,591</u>	<u>35,600,686</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Auditors' remuneration	8,280	5,000
	<u>8,280</u>	<u>5,000</u>

4. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	166,833	109,333
Social security costs	20,415	12,569
Other pension costs	8,800	9,000
	<u>196,048</u>	<u>130,902</u>

FEED FACTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014

4. STAFF COSTS (continued)

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

	2014 No.	2013 No.
Selling and distribution staff	2	2
Administration staff	1	0
	<u>3</u>	<u>2</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>120,000</u>	<u>96,667</u>
Company pension contributions to defined contribution pension schemes	<u>8,250</u>	<u>9,000</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

6. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	<u>22,206</u>	<u>23,118</u>

7. TAXATION

	2014 £	2013 £
UK corporation tax charge on profit for the year	<u>159,092</u>	<u>221,702</u>

FEED FACTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.33%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	747,068	967,852
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.33%)	160,620	225,800
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,595	323
Marginal relief	(3,123)	(4,421)
Current tax charge for the year	159,092	221,702

8. DEBTORS

	2014 £	2013 £
Trade debtors	2,363,751	2,327,491
Other debtors	15,777	13,694
	2,379,528	2,341,185

**9. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts	2,018,394	707,904
Trade creditors	1,558,672	1,257,383
Corporation tax	159,092	221,702
Other taxation and social security	8,948	5,755
Other creditors	5,828	-
Accruals and deferred income	34,613	276,958
	3,785,547	2,469,702

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

FEED FACTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

10. OTHER PROVISIONS:

	2014 £	2013 £
Provisions	<u>181,270</u>	<u>91,754</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.

11. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
71,000 Ordinary shares of £1 each	<u>71,000</u>	<u>71,000</u>

12. RESERVES

	Profit and loss account £
At 1 December 2013	1,577,759
Profit for the financial year	587,976
Dividends: Equity capital	(120,000)
	<u>2,045,735</u>
At 30 November 2014	

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,648,759	1,502,609
Profit for the financial year	587,976	746,150
Dividends (Note 14)	(120,000)	(600,000)
	<u>2,116,735</u>	<u>1,648,759</u>
Closing shareholders' funds		

14. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>120,000</u>	<u>600,000</u>

FEED FACTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014

15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	769,274	990,970
Decrease in stocks	-	1,650,333
Increase in debtors	(38,340)	(2,077,501)
Decrease in amounts owed by joint ventures	-	640,318
Increase in creditors	157,478	894,513
Net cash inflow from operating activities	888,412	2,098,633

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(22,206)	(23,118)

17. ANALYSIS OF CHANGES IN NET FUNDS

	1 December 2013 £	Cash flow £	Other non-cash changes £	30 November 2014 £
Cash at bank and in hand	1,869,030	1,834,994	-	3,704,024
Bank overdraft	(707,904)	(1,310,490)	-	(2,018,394)
Net funds	1,161,126	524,504	-	1,685,630

FEED FACTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

18. RELATED PARTY TRANSACTIONS

The company made sales during the period to Feed Factors Limited for £2,811,044 (2013: £771,575). The company also made a purchase from Feed Factors Limited for £884. Mr R Sharon, was a director of both companies (director in Feed Factors Limited up to 23 December 2014) and a shareholder of Feed Factors Limited during the period.

The balance owed to Feed Factors Limited as at 30 November 2014 was £5,828 (2013: £8,648 owed by Feed Factors Limited). This is included in other creditors.

Included in administration expenses is an amount of £34,723 (2013: £50,000) in respect of management charges payable to Feed Factors Limited.

During the year dividends of £60,000 (2013: £300,000) were paid to Mr S Lawrence, a director and shareholder, and dividends of £60,000 (2013: £300,000) were paid to Mr R Sharon, a director and shareholder.

The directors consider that the company has no controlling party.

19. POST BALANCE SHEET EVENTS

At the balance sheet date the company had forward contracts to purchase foreign currencies with a sterling value of £nil (2013: £774,203).