

**UNIVERSAL MEATS (UK) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**UNIVERSAL MEATS (UK) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S Gibbs C Callaway V D B Brett
<b>Company secretary</b>	Clyde Secretaries Limited
<b>Registered number</b>	02454386
<b>Registered office</b>	The Oaks Apex 12 Old Ipswich Ardleigh Colchester CO7 7QR
<b>Independent auditor</b>	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

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**UNIVERSAL MEATS (UK) LIMITED**

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## UNIVERSAL MEATS (UK) LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Introduction

The directors present their strategic report for the year ended 31 December 2018.

#### Business review

The principal activity of the group is the sale of chilled and frozen meat and processed meat products to the markets of the United Kingdom, Ireland, Sweden, France, Finland, and Denmark.

The group was part of BRF S.A., ("BRF") during 2018, a leading Brazilian food group with a global market presence which was founded in 1934. The group on an international scale also has several industrial units in Brazil and abroad. BRF exports its products to more than 120 countries and has a product portfolio of more than 4,000 items (SKUs). This is distributed among meats, margarine, pasta, frozen meals, frozen vegetables, and others. BRF's shares are listed on the Sao Paulo Stock Exchange (B3) and through ADRs on the New York Stock Exchange (NYSE). The Group is listed on the New Market (Novo Mercado) in Brazil, a segment reserved for companies adhering to the strictest level of corporate governance.

Currently, the group's operations are dependent on the support of its shareholder.

The directors consider the following as the key performance indicators of the group:

The group's turnover decreased 42% from £771k to £326k when compared to 2017.

#### Principal risks and uncertainties

The directors feel that there are risks to the business above the normal trading risks. Uncertainty may arise from volatile foreign exchange rate swings. Furthermore, grain costs, as one of the main cost drivers of the industry, can significantly invert the profitability scenario. A steep global increase in soybean and corn prices threatens to narrow the margins if not properly mitigated by at least equivalent price increases.

##### Liquidity Risk

Finance, Treasury and Cash Management are conducted aiming to maximize income and minimise interest & bank charges expenses, whilst ensuring the company has sufficient liquidity to meet its operating needs.

##### Credit Risk

The group operates a credit policy where all customers who wish to trade on credit terms are subjected to in house and third party credit checks. The group has a debt factoring in place since the 18th of November 2015.

The directors have assessed the potential impact of Brexit which currently is expected on 31 October 2019 and consider the group has sufficient plans in place to mitigate any significant impact that may result from this event.

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**UNIVERSAL MEATS (UK) LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

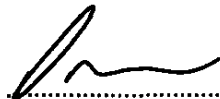
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**Future outlook**

The group has a strong position in the market due to the control of quota which is the main entry barrier for big swings in the market share. The group's supply from Brazil will be hindered following European commission decision to limit imports from Brazilian platform. The group will utilize competitive advantage of multiple source platforms from Thailand, China or EU to mitigate potential difficulties in supply and keep the market share. Nature of the industry will prevent local players and other international players to swiftly and efficiently reorganise production to fill the gap.

Grain costs are expected to peak in short-term following bad harvests and some global trade barriers from major markets. Commodity prices in Europe will reflect all these factors. This, together with a limited supply from Brazil plants, will affect raw material supply to for Wrexham factory, increasing its cost of production due to a necessity to purchase it locally at higher prices. BRFL FX rate is forecasted to have beneficial outlook for exporting markets.

This report was approved by the board and signed on its behalf.



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**S Gibbs**  
Director

Date: 9 - 27 - 18

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## UNIVERSAL MEATS (UK) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £33 thousand (2017 - loss £52 thousand).

#### **Director**

The director who served during the year was:

C J Norton (resigned 3 June 2019)

D Hamada (resigned 3 June 2019)

S Cheng (resigned 19 October 2018)

R F Pereira (appointed 12 December 2018, resigned 3 June 2019)

Post year end the following directors were appointed:

C Callaway was appointed as director on 3 June 2019

S Gibbs was appointed as director on 3 June 2019

V D B Brett was appointed as director on 6 August 2019

#### **Future developments**

Future developments are discussed in the strategic report.

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**UNIVERSAL MEATS (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Qualifying third party indemnity provisions**

During the year the group had in force a qualifying indemnity provision in favour of its directors in respect of the proceedings brought by third parties subject to the conditions set out in the Companies Act 2006.

**Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the 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 and the group's auditor is aware of that information.

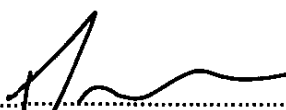
**Post balance sheet events**

Post year end Tyson Foods Inc acquired the group from BRF SA.

**Auditor**

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
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**S Gibbs**  
Director

Date: 9 - 27 - 19

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## UNIVERSAL MEATS (UK) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF UNIVERSAL MEATS (UK) LIMITED

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#### Opinion

We have audited the financial statements of Universal Meats (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the group statement of comprehensive income, the group and company balance sheets, the group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material



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## UNIVERSAL MEATS (UK) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF UNIVERSAL MEATS (UK) LIMITED (CONTINUED)

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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**UNIVERSAL MEATS (UK) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF UNIVERSAL MEATS (UK) LIMITED  
(CONTINUED)**

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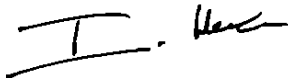
**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's shareholder 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 shareholder 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 shareholder for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Riverside House  
40 - 46 High Street  
Maidstone  
Kent

ME14 1JH

Date: 30<sup>th</sup> November 2019

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**UNIVERSAL MEATS (UK) LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £000	2017 £000
Turnover	4	326	772
Cost of sales		(267)	(820)
<b>Gross profit/(loss)</b>		<u>59</u>	<u>(48)</u>
Exceptional administrative expenses	10	480	-
<b>Operating profit/(loss)</b>		<u>539</u>	<u>(48)</u>
Interest receivable and similar income	7	71	9
Interest payable and expenses	8	(11)	-
<b>Profit/(loss) before taxation</b>		<u>599</u>	<u>(39)</u>
Tax on profit/(loss)	9	(566)	(13)
<b>Profit/(loss) for the financial year</b>		<u><u>33</u></u>	<u><u>(52)</u></u>
 <b>Total comprehensive income for the year</b>		 <u><u>33</u></u>	 <u><u>(52)</u></u>


The notes on 15 - 37 form part of these financial statements.

**UNIVERSAL MEATS (UK) LIMITED**  
**REGISTERED NUMBER: 02454386**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	23,388	27,707
Cash at bank and in hand	12	-	14,794
		<u>23,388</u>	<u>42,501</u>
Creditors: amounts falling due within one year	13	(199)	(19,345)
<b>Net current assets</b>		<u>23,189</u>	<u>23,156</u>
<b>Total assets less current liabilities</b>		<u>23,189</u>	<u>23,156</u>
<b>Net assets</b>		<u>23,189</u>	<u>23,156</u>
<b>Capital and reserves</b>			
Called up share capital	14	101	101
Profit and loss account		23,088	23,055
		<u>23,189</u>	<u>23,156</u>

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

  
.....  
**S Gibbs**  
Director

Date: 7.2.7.14

The notes on 15 - 37 form part of these financial statements.

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UNIVERSAL MEATS (UK) LIMITED  
REGISTERED NUMBER: 02454386


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COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2018

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	Note	2018 £000	2017 £000
Debtors: amounts falling due within one year	11		
<b>Total assets less current liabilities</b>		-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>		-	-

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

  
.....  
**S Gibbs**  
Director

Date: 9 / 27 / 19

The notes on 15 - 37 form part of these financial statements.

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**UNIVERSAL MEATS (UK) LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 January 2017</b>	<b>101</b>	<b>23,107</b>	<b>23,208</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(52)	(52)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(52)</b>	<b>(52)</b>
<b>At 1 January 2018</b>	<b>101</b>	<b>23,055</b>	<b>23,156</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	33	33
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>33</b>	<b>33</b>
<b>At 31 December 2018</b>	<b>101</b>	<b>23,088</b>	<b>23,189</b>

The notes on pages 13 to 22 form part of these financial statements.

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**UNIVERSAL MEATS (UK) LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Total equity £000</b>
<b>Total comprehensive income for the year</b>	<hr/> -
<b>Total comprehensive income for the year</b>	<hr/> -

The notes on pages 13 to 22 form part of these financial statements.

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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

The company is a private company limited by shares and is incorporated and registered in England and Wales. The address of the registered office and company number is given on the company information page. The nature of the company's operations and its principal activities are set out in the Strategic Report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The financial statements are presented in Sterling, rounded to the nearest thousand (£'000) unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

##### 2.2 Going concern basis of preparation

The directors have prepared and reviewed a forecast model which indicates that the group will have sufficient financial resources for the foreseeable future in addition has the continued support of the parent company.

On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

##### 2.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The consolidated financial statements incorporates the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.



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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.4 Financial reporting standard 102 - reduced disclosure exemptions

The parent has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tyson Foods UK Limited (Formerly BRF Invicta Limited) as at 31 December 2018 and these financial statements may be obtained from Companies House.

##### 2.5 Revenue

Turnover in the group comprises

###### 1) Commission revenue

The group has limited responsibility in arranging or mediating the provision of goods or services for another party. Given the nature of this relationship the group is considered an agent. The revenue the group recognises as commissions earned on transactions are on an agency basis.

##### 2.6 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### 2.7 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **2. Accounting policies (continued)**

##### **2.8 Finance costs**

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.9 Taxation**

Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

##### **2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The group has debt factoring contracts in place whereby the debt without recourse sold by the factoring entity to the group for any non-payment of such debt resulting solely from an insolvency event of the applicable obligator or the financial inability of the obligator to pay such receivable on the maturity date.

##### **2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.13 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The group may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, definition seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

##### Impairment of investments

The company reviews its investments for impairment on an annual basis or whenever there are indicators of impairment.

#### 4. Turnover

Analysis of turnover by country of destination.

	2018 £000	2017 £000
United Kingdom	326	772
	<u>326</u>	<u>772</u>

#### 5. Auditor's remuneration

The auditor's remuneration has been borne by the parent company Tyson Foods UK Limited for both the current and prior year.

#### 6. Employees

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

	2018 No.	2017 No.
Directors	3	3

The key management personnel are the directors of the company who received no remuneration in the year (2017: £nil).

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**UNIVERSAL MEATS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Interest receivable**

	<b>2018 £000</b>	<b>2017 £000</b>
Other interest receivable	71	9
	<u>71</u>	<u>9</u>

**8. Interest payable and similar expenses**

	<b>2018 £000</b>	<b>2017 £000</b>
Other loan interest payable	11	-
	<u>11</u>	<u>-</u>

**9. Taxation**

	<b>2018 £000</b>	<b>2017 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	180	13
Adjustments in respect of previous periods	386	-
	<u>566</u>	<u>13</u>
<b>Total current tax</b>	<u>566</u>	<u>13</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>566</u>	<u>13</u>

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**UNIVERSAL MEATS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Profit/(loss) on ordinary activities before tax	<b>599</b>	<b>(39)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	<b>114</b>	<b>(7)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>95</b>	<b>20</b>
Adjustments to tax charge in respect of previous periods	<b>386</b>	<b>-</b>
Write back impairment of investments	<b>(29)</b>	<b>-</b>
<b>Total tax charge for the year</b>	<b>566</b>	<b>13</b>

**10. Exceptional items**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Historical reconciliation differences	<b>(480)</b>	<b>-</b>
	<b>(480)</b>	<b>-</b>

During 2018 management identified a number of historical reconciliation differences relating to a previous period. It is the opinion of the directors given the passage of time there is no evidence to suggest the balances are payable and as such should be reversed through the profit and loss account.

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**UNIVERSAL MEATS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**11. Debtors**

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>
Amounts owed by group undertakings	23,182	27,000
Other debtors	98	564
Prepayments and accrued income	108	143
	<u>23,388</u>	<u>27,707</u>

**12. Cash and cash equivalents**

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>
Cash at bank and in hand	-	14,794
	<u>-</u>	<u>14,794</u>

**13. Creditors: Amounts falling due within one year**

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>	<b>Company 2018 £000</b>	<i>Company 2017 £000</i>
Trade creditors	13	-	-	-
Amounts owed to group undertakings	-	19,048	-	(1)
Corporation tax	181	41	-	-
Other taxation and social security	5	200	-	-
Other creditors	-	53	-	1
Accruals and deferred income	-	3	-	-
	<u>199</u>	<u>19,345</u>	<u>-</u>	<u>-</u>

**14. Share capital**

	<b>2018 £000</b>	<i>2017 £000</i>
<b>Allotted, called up and fully paid</b>		
101,000 (2017 - 101,000) Ordinary shares of £1.00 each	<u>101</u>	<u>101</u>

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## UNIVERSAL MEATS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 15. Contingent liabilities

Contingent Liabilities and S379A Companies Act 2006 exemption

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary companies listed in note 19 in accordance with sections 479A - 479C of the Companies Act 2006, as these UK subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act.

#### 16. Commitments under operating leases

The group and the company had no commitments under the non-cancellable operating leases as at the balance sheet date.

#### 17. Related party transactions

The company has taken advantage of the exemptions available not to disclose transactions with other group companies.

During the year the group made purchases totalling £267k (2017: £821k) from and sales totalling £326k (2017: £771k) to BRF Global GmbH, a trading company of BRF SA.

#### 18. Controlling party and ultimate controlling party

As at 31 December 2018 the immediate parent company was Tyson Foods UK Limited (formerly BRF Invicta Limited).

As at 31 December 2018 the smallest group in which the results of the company are consolidated is that headed by Tyson Foods UK Limited (Formerly BRF Invicta Limited). The consolidated accounts are available from Companies House.

As at 31 December 2018 the largest group in which the results of the company are consolidated is that headed by BRF SA. The consolidated accounts are available from [www.brf-global.com](http://www.brf-global.com).

As at 31 December 2018 the ultimate controlling party was BRF SA, a company registered in Brazil. Post year end due to a change in ownership the ultimate controlling party was Tyson Foods Inc. a company registered in the United States of America.



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**UNIVERSAL MEATS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**19. Fixed asset investments**

**Company**

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

19 Fixed asset investments (continued)

Subsidiary undertakings

The following were directly owned subsidiary undertakings of the company during the year:

Name		Country of incorporation	Type of share	Holding	Principal Activity
Aquaground Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Avascom Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Avivar Trading Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Axbay Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Bestlink Supplies Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Bexar Trading Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Bluedew Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Brixstan Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Callex Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Cardball Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Censeric Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Citimont Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Citrussa Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Cliffdell Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Croftbell Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Crownmask Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Dalevalley Ltd	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Daypoint Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Denibay Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Denibond Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Devabay Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Dewport Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Dommar Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Doxtech Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Ebitran Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Eleford Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Europa Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Evadell Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Evalink Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Exemill Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Exemoor Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Facture Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Faxtek Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Firebay Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Flexar Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Flexcall Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Flexcity Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Flobridge Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Freecraft Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Fullcrest Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Gatecliff Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Gaxtown Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Goldrealm Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Green Goddess Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Grevale Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Gyratex Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Haverbond Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Haverbridge Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Haxmed Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Henmast Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Innerplex Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Kenvar Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Lampset Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Loopit Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Mainday Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Maximark Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Naturecroft Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Nellfield Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Novarange Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Nutty Enterprises Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Opalstone Trading Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Overmal Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Packband Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products

19 Fixed asset investments (continued)

Name		Country of Incorporation	Type of share	Holding	Principal Activity
Pennycrest Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Portvilla Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Questa Trading Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Rexbase Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Rexborne Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Seal Meats Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Selcrown Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Seldew Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Sentvilla Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Setavale Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Silverdeck Products Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Skymarks Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Slinkies Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Sonitus Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Sonivale Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Stavar Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Surface Red Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Swirly Trading Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Telcross Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Uniford Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Unimile Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Uniplexi Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Universal Meats (China) Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Universal Meats (Switzerland) Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Unixar Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Vandale Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Vivacourt Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Waygate Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Wayheath Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Wellpark Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Wexford Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Wistbrook Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Xtratel Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Yearprime Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Zanflex Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products
Zemapoint Limited	**	England and Wales	Ordinary	100%	Wholesale of meat and meat products