



Argent Group Europe Limited

Directors' report and financial statements

Registered number: 05823362

31 December 2016

THURSDAY



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Company information

Directors

A J Barnes
D J Gray

Registered number

05823362

Registered office

Level 5
9 Hatton Street
London
NW8 8PL

Bankers

Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

HSBC Bank plc
8 Canada Water
London
E14 5HQ

Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The Company's principal activity is that of a holding company.

Business review and state of affairs

The Statement of Financial Position remains strong with net assets of £24.4 million (2015: £24.4 million).

Future outlook

Given the nature of the principal activity, the directors believe that the current market conditions are unlikely to change soon and have a significant impact on results. The activity of the business is likely to continue in the foreseeable future.

Key performance indicators

Annual budgets and longer-term financial plans are developed by the directors to target improved business performance. The directors review the performance of all aspects of the business through comprehensive monthly reviews, comparing actual results against budget expectations and prior year achievements. All results are challenged to ensure performance is maximised. Particular emphasis is placed on operating costs.

Results and dividends

Detailed results for the year are set out in the Statement of Comprehensive Income Statement on page 5. The profit for the financial year was £8.0 million (2015 £8.0 million). Dividends of £8.0 million were declared on ordinary shares (2015: £8.0 million).

Principal risks and uncertainties

Given the nature of the company, the principal risks and uncertainties are limited.

On behalf of the board



A J Barnes

Director

27 September 2017

Level 5
9 Hatton Street
London
NW8 8PL

Directors' report

The directors present their report and the unaudited financial statements for the year ended 31 December 2016.

Directors

The directors who served throughout the year and up to the date of signing the financial statements were as follows:

A J Barnes
D J Gray

Political donations

The company did not make any political donations (2015: £nil).

Future developments

Future developments are detailed in the strategic report.

Post balance sheet events

On 22 September 2017, the Argent Foods Limited Group refinanced its debt facilities. A club deal with Lloyds Bank plc and HSBC Bank plc has been agreed and the terms are detailed below. All facilities expire on 21 September 2020.

Facility	Amount	Margin	Interest
Receivables financing	£55,000,000	2.0%	Margin plus 3 month LIBOR
Revolving credit facility	£10,000,000	2.25%	Margin plus 3 month LIBOR
Term loan	£10,000,000	2.25%	Margin plus 3 month LIBOR

Statements of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' report

Statements of directors' responsibilities (continued)

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.

On behalf of the board



A J Barnes
Director

27 September 2017

Level 5
9 Hatton Street
London
NW8 8P

Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Other interest receivable and similar income	3	8,000	8,000
Profit on ordinary activities before taxation		8,000	8,000
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		8,000	8,000

The Company had no recognised gains or losses in either the current or preceding year other than those recorded in the profit and loss account, therefore a separate statement of comprehensive income has not been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

Statement of Financial Position

as at 31 December 2016

	Note	2016 £'000	2015 £'000
Non-current assets			
Investments	5	300	300
Debtors: due after more than one year	6	24,838	24,837
		25,137	25,137
Current assets			
Cash at bank and in hand		231	231
Net current assets		231	231
Total assets less current liabilities		25,368	25,368
Creditors: amounts falling due after more than one year	7	(1,000)	(1,000)
Net assets		24,368	24,368
Capital and reserves			
Called up share capital	9	51	51
Profit and loss account		24,317	24,317
Total shareholders' funds	10	24,368	24,368

For the year ended 31 December 2016, the Company was entitled to audit exemption under section 479a of the Companies Act 2006.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements on pages 5 to 10 were approved by the board of directors on 27 Sept 2017 and were signed on its behalf by:



D J Gray
Director

Statement of Changes in Equity

for the year ended 31 December 2016

	Note	Called up share capital £'000	Retained earnings £'000	Total shareholders' fund £'000
Balance at 1 January 2015		51	24,317	24,368
Profit for the financial year		-	8,000	8,000
Dividends paid	8	-	(8,000)	(8,000)
Balance at 31 December 2015		51	24,317	24,368
Profit for the financial year			8,000	8,000
Dividends paid	8		(8,000)	(8,000)
Balance at 31 December 2016		51	24,317	24,368

The notes on pages 8 to 11 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting Policies

General information

Argent Group Europe Limited's principal activity is the intermediate holding company within the Argent Foods Limited Group.

The Company is a private company limited by its shares and is incorporated and domiciled in the England and Wales, registration number 05823362. The address of its registered office is Level 5, 9 Hatton Street, London NW8 8PL.

Basis of preparation

The financial statements of Argent Group Europe Limited have been prepared under the historical cost convention and in compliance the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements are presented in Sterling and rounded to the nearest thousand. They are prepared, on a going concern basis.

Summary of significant accounting policies



Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by this box. They have been applied consistently in dealing with items which are considered material in relation to the financial statements throughout the year and preceding year.

The Company is a wholly owned subsidiary of Poupart Limited and is included in its consolidated financial statements, which are publicly available. The Company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that the Company's results are included in the Group's consolidated statement of cash flows; FRS 102 p1.12(c);
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- the Company is exempt under the terms of FRS 102 from disclosing related party transactions with entities which are part of the Poupart Limited group.

Consolidation

The financial statements contain information about Argent Group Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its immediate parent company, Argent Foods Limited which is registered in England and Wales.

2. Directors' remuneration and employment

The directors did not receive any emoluments during the current year or prior year from the company but did receive remuneration through another group company. This remuneration was not recharged to the company (2015: £nil), and the portion of time spent on the Company is not significant. The Company does not employ any staff.

Notes to the financial statements

for the year ended 31 December 2016

3. Other interest receivable and similar income

	2016 £'000	2015 £'000
Income from shares in group undertakings	8,000	8,000
	8,000	8,000

4. Tax on profit on ordinary activities



Current tax, including UK corporation tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred taxation is provided in respect of the tax effect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at the statement of financial position date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets and liabilities have been recognised in these financial statements using the future corporation tax rates.

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit before tax	8,000	8,000
Profit before tax multiplied by the standard rate of corporation tax in the UK at 20.00% (2015: 20.25%)	1,600	1,620
Effects of:		
Non-taxable income	(1,600)	(1,620)
Current tax charge for the year	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). This includes reductions to the rate to 19% from 1 April 2017 and 17% from 1 April 2020.

Notes to the financial statements (continued)

for the year ended 31 December 2016

5. Fixed asset investments



Investments held as fixed assets are stated at cost less any provision for impairment in value.

	Shares in subsidiary undertakings £'000
Cost	
At beginning and end of year	300

6. Debtors



Trade and other debtors are recognised at cost less any provision for impairment. Bad debt is written-off when they are considered to have become uncollectable.

	2016 £'000	2015 £'000
Due after more than one year:		
Amounts owed by group undertakings	24,837	24,837

Amounts owed by group undertakings are unsecured with interest fixed at a rate of 0% at the time of borrowing and are repayable on demand.

7. Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	1,000	1,000

Amounts owed to group undertakings are unsecured with interest fixed at a rate of 0% at the time of borrowing and are repayable on demand.

8. Dividends



Dividends unpaid at the statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

	2016 £'000	2015 £'000
Dividends paid £156.86 per share (2015: £13.75 per share)	8,000	8,000

Notes to the financial statements (continued)

for the year ended 31 December 2016

9. Called up share capital



Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

	2016 £'000	2015 £'000
<i>Allotted and fully paid</i>		
512,201 Ordinary shares of £0.10 each	51	51

10. Assets pledged, commitments and contingencies

The Company is a participant in a group arrangement under which all assets and surplus cash balances are held as collateral for bank facilities advanced to group members. The maximum amount covered by these arrangements at 31 December 2016 was £18.0 million (2015: £18.0 million). The facilities are secured under a debenture dated 5 March 2010 over all assets of the Company.

11. Post balance sheet events

On 22 September 2017, the Argent Foods Limited Group refinanced its debt facilities. A club deal with Lloyds Bank plc and HSBC Bank plc has been agreed and the terms are detailed below. All facilities expire on 21 September 2020.

Facility	Amount	Margin	Interest
Receivables financing	£55,000,000	2.0%	Margin plus 3 month LIBOR
Revolving credit facility	£10,000,000	2.25%	Margin plus 3 month LIBOR
Term loan	£10,000,000	2.25%	Margin plus 3 month LIBOR

12. Related party transaction

The Company is a wholly owned subsidiary of Argent Holdings Limited, a company incorporated in England and Wales, and is ultimately owned and controlled by Fletcher Bay Group Limited, a company incorporated in England and Wales with registered office at Level 5, 9 Hatton Street, London NW8 8PL.

The largest group into which the results of the Company are consolidated is Fletcher Bay Group Limited. Copies of those consolidated financial statements may be obtained from the registered office.

The smallest group into which the results of the Company are consolidated is Argent Foods Limited. Copies of those consolidated financial statements may be obtained from the registered office.