

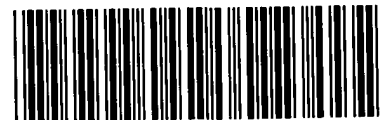
Registered No: 06679840

## **Dairy Crest UK Limited**

### **Annual report and Financial Statements**

31 March 2019

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COMPANIES HOUSE

**Dairy Crest UK Limited**

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Registered No: 06679840

**Directors**

R S Jones

T A Atherton

M Therrien (appointed on 15 April 2019)

**Company Secretary**

I J Hinton (appointed on 21 September 2018)

**Auditor**

Deloitte LLP

Statutory Auditor

London

United Kingdom

**Registered office**

5 The Heights

Brooklands

Weybridge

Surrey

KT13 0NY

United Kingdom

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## Strategic report

The Directors present their Strategic Report for the year ended 31 March 2019.

### Principal activities

Dairy Crest UK Limited (the 'Company') is a private company limited by shares. It acts as a holding company of Dairy Crest Facilities Limited and Dairy Crest Limited.

### Business review

The loss for the year after taxation amounted to £3,901,000 (2018: loss £3,037,000) which is due to an increase in the Libor rates. No dividends were paid in the year ended 31 March 2019 (2018: £nil).

The loss is solely attributable to the net interest payable of £3,901,000 (2018: £3,037,000).

The Company has received interest on amounts receivable from group undertakings and paid interest on amounts due to group undertakings.

### Key performance indicators

As the Company acts as a holding company, the key performance indicators are those of the wider Dairy Crest Group. Refer to page 6 in the financial statements of Dairy Crest Group Limited (formerly Dairy Crest Group plc.) for further details.

### Future developments

The Company will retain its investment in Dairy Crest Facilities Limited and Dairy Crest Limited.


### Principal risks and uncertainties

Interest Risk - The Company is exposed to interest rate risk on its intercompany loan balances as these are at floating rates based on Libor. These risks, along with the wider Dairy Crest Group interest rate risks are continuously monitored.

Recoverability of intercompany balances - The Company is exposed to risk on the recovery of its intercompany loan balances.

Recoverability of investments - The Company is exposed to risk on the recovery of its investments.

Agreed by the Board and signed on its behalf by



I J Hinton  
Company Secretary

17 December 2019

## Directors' report

The Directors present their annual report and audited financial statements for the year ended 31 March 2019.

### Directors

The Directors who served the Company were as follows:

R S Jones

T A Atherton

M Therrien was appointed as a director on 15 April 2019

R P Miller resigned as a director on 21 September 2018

### Items disclosed in Strategic Report

Future developments and exposure to interest rate risk are disclosed in the Strategic Report on page 4.

### Directors' and officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors, Secretary and other Officers of the Company are indemnified by the Company to the extent permitted by company law. That indemnity provision has been in place during the year and remains in force.

### Dividends

No dividends were paid in the year ended 31 March 2019 (2018: £nil).

### Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. Nevertheless, at the time of preparation of these accounts and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for a period of at least 12 months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

As the Company has net current liabilities, a letter of support has been obtained by the Directors from Dairy Crest Group Limited, the Company's ultimate parent undertaking.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

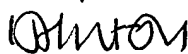
Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be reappointed as the Company's auditor.

### Post balance sheet event

On 15 April 2019 the Company's ultimate parent undertaking Dairy Crest Group Limited, formerly Dairy Crest Group plc, was acquired by Saputo Inc. It was delisted from the London Stock Exchange on 16 April 2019 and was re-registered as a private limited company on 25 April 2019. It is now known as Dairy Crest Group Limited and the Group's immediate ultimate parent is Saputo Dairy UK Limited.

The Company's ultimate parent undertaking and controlling party from 15 April 2019 is Saputo Inc., a company incorporated in Canada. Saputo Inc's registered office is 6869, Métropolitain Est, Montréal, Québec H1P 1X8, Canada.

Agreed by the Board and signed on its behalf by



I J Hinton  
Company Secretary

17 December

2019

## **Directors' responsibilities statement**

The Directors are responsible for preparing the Annual 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), including FRS 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 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 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; and
- 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.

## **Independent auditor's report to the members of Dairy Crest UK Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Dairy Crest UK Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

#### **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 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 respect of these matters.

## **Independent auditor's report (continued)** **to the members of Dairy Crest UK Limited**

### **Responsibilities of Directors**

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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **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.

### **Report on other legal and regulatory requirements**

#### **Opinions 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 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 strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



**William Smith MA FCA (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 December

2019



**Statement of comprehensive income**  
for the year ended 31 March 2019

	<i>Notes</i>	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Other interest receivable and similar income	4	1,489	2,007
Other interest payable and similar expenses	4	(5,390)	(5,044)
<b><i>Loss on ordinary activities before taxation</i></b>		<b>(3,901)</b>	<b>(3,037)</b>
Tax on loss on ordinary activities	5	-	-
<b><i>Loss for the year and total comprehensive loss</i></b>		<b>(3,901)</b>	<b>(3,037)</b>

**Statement of financial position**

as at 31 March 2019

	Notes	2019 £000	2018 £000
<b>Fixed Assets</b>			
Investments	6	450,232	450,232
		<u>450,232</u>	<u>450,232</u>
<b>Current Assets</b>			
Debtors	7	46,363	114,874
		<u>46,363</u>	<u>114,874</u>
<b>Creditors: amounts falling due within one year</b>	8	(265,240)	(329,850)
		<u>(218,877)</u>	<u>(214,976)</u>
<b>Net current liabilities</b>			
		<u>(218,877)</u>	<u>(214,976)</u>
<b>Total assets less current liabilities</b>		<u>231,355</u>	<u>235,256</u>
<b>Capital and reserves</b>			
Called up share capital	9	229	229
Profit and loss account		231,126	235,027
		<u>231,126</u>	<u>235,027</u>
<b>Total shareholders' equity</b>		<u>231,355</u>	<u>235,256</u>

The financial statements were approved by the Board of Directors and signed on its behalf by:


T A Atherton  
Director

17 December 2019

**Statement of changes in equity**  
for the year ended 31 March 2019

	<i>Share capital</i> £000	<i>Profit/(loss)</i> <i>account</i> £000	<i>Total equity</i> <i>funds</i> £000
<b>2019</b>			
As at 1 April 2018	229	235,027	235,256
Total comprehensive loss	-	(3,901)	(3,901)
<b>As at 31 March 2019</b>	<b>229</b>	<b>231,126</b>	<b>231,355</b>
<b>2018</b>			
As at 1 April 2017	229	238,064	238,293
Total comprehensive loss	-	(3,037)	(3,037)
<b>As at 31 March 2018</b>	<b>229</b>	<b>235,027</b>	<b>235,256</b>

## Notes to the financial statements

for the year ended 31 March 2019

### 1. Accounting policies

#### **General information and basis of accounting**

Dairy Crest UK Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 5 The Heights, Brooklands, Weybridge, Surrey, KT13 0NY.

The principal activities of the Company are set out in the strategic report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the amendments to FRS 102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019.

Dairy Crest UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1,000.

#### **Going concern**

At the time of preparation of these accounts and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for a period of at least 12 months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

#### **Key sources of estimation uncertainty**

There are no key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

#### **Areas of judgment**

There are no items that are considered by Management to be key areas of judgment.

#### **Consolidated financial statements**

The financial statements represent those of the Company. Consolidated financial statements have not been prepared as the company is a subsidiary of a UK parent undertaking which itself prepares consolidated financial statements (Section 400, Companies Act 2006).

#### **Cash flow statement**

The Directors have taken advantage of the exemption in FRS 102.1.12 "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the Company is wholly-owned and its ultimate parent undertaking as at the balance sheet date, Dairy Crest Group Limited (formerly Dairy Crest Group plc), publishes consolidated financial statements, which are available from Companies House.

#### **Interest**

Interest received and payable is recognised on an accrual basis.

#### **Dividends**

In accordance with FRS 102.23.29.C dividends are recognised when the Shareholders' right to receive payment is established.

#### **Investments**

Investments are carried at cost less impairment.

## Notes to the financial statements (continued)

for the year ended 31 March 2019

### 1. Accounting policies (continued)

#### *Financial Instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

#### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *(ii) Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

### 2. Auditor's remuneration

	2019 £000	2018 £000
Remuneration of the auditor is further analysed as follows:		
Audit of the financial statements	3	3
Auditor's remuneration is borne by another group undertaking.		

There were no non-audit services in either year.

### 3. Staff costs

There are no employees in the current year or prior year.

The Directors are Directors of other undertakings within the Dairy Crest Group. The Directors' remuneration for the year was paid by other undertakings as qualifying services in relation to the Company were minimal. The Directors do not believe that it is practical to apportion this amount between their services as Directors of the Company and their services as

**Notes to the financial statements (continued)**

for the year ended 31 March 2019

**4. Interest**

		<i>£000</i>	<i>2018</i>
Group undertakings	- Receivable	1,489	2,007
	- Payable	(5,390)	(5,044)

**5. Tax**

(a) Tax on (loss) on ordinary activities

The tax charge is made up as follows:

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
<i>Current tax:</i>		
UK corporation tax	-	-
Total tax expense (note 5 (b))	-	-

(b) Factors affecting current tax charge

The differences are reconciled below:

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Loss on ordinary activities before taxation	(3,901)	(3,037)
Loss on ordinary activities multiplied by the standard rate of Corporation		
Tax in UK of 19% (2018: 19%)	(741)	(577)
Losses surrendered to group companies	741	577
Total tax expense (note 5 (a))	-	-

Factors that may affect the future tax charges:

A reduction in the UK corporation tax rate has been enacted, taking the rate from 19% to 17% from April 2020.

**6. Investments**

	<i>Subsidiary undertakings £000</i>
<b>Cost:</b>	
At 1 April 2018	450,232
<b>At 31 March 2019</b>	<b>450,232</b>

The Company owns 100% of the issued share capital of Dairy Crest Facilities Limited and Dairy Crest Limited. Dairy Crest Facilities Limited provides financing to fellow subsidiaries within the Dairy Crest Group. Dairy Crest Limited processes and markets branded and high value-added dairy products.

The principal place of operation and country of incorporation of all subsidiary undertakings is England and Wales.

The registered office of all subsidiary undertakings incorporated in England and Wales is 5 The Heights, Brooklands, Weybridge, Surrey, KT13 0NY.

## Notes to the financial statements (continued)

for the year ended 31 March 2019

### 7. Debtors

Amounts falling due within one year:

	2019 £000	2018 £000
Amounts owed by group undertakings*	46,363	114,874
	<u>46,363</u>	<u>114,874</u>

\*These are unsecured loans and repayable on demand with an interest rate of 1% plus LIBOR.

### 8. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings*	265,240	329,850
	<u>265,240</u>	<u>329,850</u>

\*These are unsecured loans and repayable on demand with an interest rate of 1% plus LIBOR.

### 9. Share capital

	2019 £000	2018 £000
Ordinary shares of £0.001 each	No. 228,820,100	No. 228,820,100
	<u>229</u>	<u>229</u>

### 10. Related party transactions

#### Group

As the Company is a wholly-owned subsidiary of Dairy Crest Group Limited (formerly Dairy Crest Group plc), it is exempt under the terms of FRS 102.33.1A "Related Party Disclosures" from disclosing transactions with other wholly-owned Group undertakings, joint ventures or associated companies. There were no other related party transactions in the period.

#### Key management personnel

The Company has no key management personnel in the current year or prior year. Further details are set out in Note 4.

### 11. Parent undertakings

The Company's immediate as well as ultimate parent undertaking and ultimate controlling party as at the balance sheet date is Dairy Crest Group Limited (formerly Dairy Crest Group plc), whose financial statements are available from its registered office at 5 The Heights, Brooklands, Weybridge, Surrey, KT13 0NY.

The largest and smallest group preparing consolidated accounts for the year ended 31 March 2019 which include Dairy Crest UK Limited is Dairy Crest Group Limited (formerly Dairy Crest Group plc).

### 12. Post balance sheet event

On 15 April 2019 the Company's ultimate parent undertaking Dairy Crest Group Limited, formerly Dairy Crest Group plc, was acquired by Saputo Inc. It was delisted from the London Stock Exchange on 16 April 2019 and was re-registered as a private limited company on 25 April 2019. It is now known as Dairy Crest Group Limited and the Group's immediate ultimate parent is Saputo Dairy UK Limited.

The Company's ultimate parent undertaking and controlling party from 15 April 2019 is Saputo Inc., a company incorporated in Canada. Saputo Inc's registered office is 6869, Métropolitain Est, Montréal, Québec H1P 1X8, Canada.