

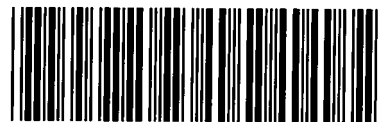
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English Register

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2018

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COMPANIES HOUSE

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CHEMICALS AND FEEDS (HOLDINGS) LIMITED

GENERAL INFORMATION

Year Ended 31 May 2018

DIRECTORS: Mrs J S Belfrage FCCA
Mr M J Donnelly

**REGISTERED
OFFICE:** Springfield House
Sandling Road
Maidstone
Kent
ME14 2LP

AUDITOR: Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

BANKERS: HSBC Bank plc
26 Broad Street
Reading
Berkshire
RG1 2BU

INVOICE FINANCE: HSBC Invoice Finance (UK) Ltd
21 Farncombe Road
Worthing
BN11 2BW

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

Year Ended 31 May 2018

Results and Dividends

The profit for the year for the group, after taxation and non-controlling interests, was £264,285 (2017 = £214,071).

Dividends of £60,000 were paid in the previous period on the ordinary share capital and dividends of £80,000 were paid during this year.

The directors who served during the year were as shown on page 2.

Insofar as the directors are aware;

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Future Developments

The group wish to develop and expand the existing business and where possible explore new niche products to complement existing markets or replace those reducing in volume. The group endeavour to maintain existing business relationships and explore new opportunities where possible to keep informed of developments in the market.

Directors' Interests

Details of directors' interests in the shares of the company at the beginning and end of the period were as follows:

	31 May 2018	1 June 2017
	Number	Number
Mrs J S Belfrage	26	26
Mr M J Donnelly	26	26

Auditor

Moore Stephens LLP are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

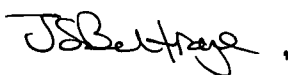
Post Balance Sheet Events

There were no further post balance sheet events to report.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board on 10 September 2018 and signed on its behalf by.



J S Belfrage
Director

Springfield House
Sandling Road
Maidstone
ME14 2LP

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year Ended 31 May 2018

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMICALS AND FEEDS (HOLDINGS) LIMITED

Year Ended 31 May 2018

Opinion

We have audited the financial statements of Chemicals and Feeds (Holdings) Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 May 2018 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows, company statement of cash flows and notes to the financial statements, 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 FRS 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 affairs and the parent company's affairs as at 31 May 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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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 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.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMICALS AND FEEDS (HOLDINGS) LIMITED (continued).

Year Ended 31 May 2018

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 Directors' Report.

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of directors responsibilities set out on page 4, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMICALS AND FEEDS
(HOLDINGS) LIMITED (continued).**

Year Ended 31 May 2018

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.

Moore Stephens LLP

Philip Clark, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: *14 September 2018*

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****Year Ended 31 May 2018**

	Note	2018 £	2017 £
Turnover	4	12,513,795	12,006,986
Cost of sales		(11,863,353)	(11,442,392)
Gross profit		650,442	564,594
Administrative expenses		(208,786)	(162,421)
OPERATING PROFIT	6	441,656	402,173
Interest payable and similar charges	7	(7)	(5,458)
PROFIT BEFORE TAXATION		441,649	396,715
Taxation on profit	8	(85,562)	(80,480)
PROFIT FOR THE FINANCIAL YEAR		356,087	316,235
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Non-controlling interests		91,802	102,164
Owners of the parent company		264,285	214,071
		356,087	316,235

There are no items of other comprehensive income in either the current or prior year.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

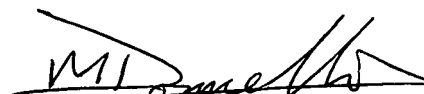
As at 31 May 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Goodwill	10	-	2,510
Tangible assets	10	51,996	36,515
		<u>51,996</u>	<u>39,025</u>
CURRENT ASSETS			
Stocks	12	110,034	473,490
Debtors	13	1,857,993	1,845,766
Cash at bank and in hand		1,123,001	654,408
		<u>3,091,028</u>	<u>2,973,664</u>
CREDITORS:			
Amounts falling due within one year	14	1,630,587	1,738,938
		<u>1,460,441</u>	<u>1,234,726</u>
NET CURRENT ASSETS			
		<u>1,460,441</u>	<u>1,234,726</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,512,437</u>	<u>1,273,751</u>
NET ASSETS		<u>1,512,437</u>	<u>1,273,751</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>790,494</u>	<u>606,209</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>790,594</u>	<u>606,309</u>
Non-controlling interests		721,843	667,442
		<u>1,512,437</u>	<u>1,273,751</u>

The financial statements were approved by the board and authorised for issue on **10 September 2018** and were signed on its behalf by:-



J S Belfrage
Director



M J Donnelly
Director

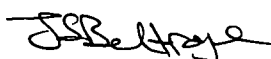
Company Registration Number: 08365337

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**COMPANY BALANCE SHEET****As at 31 May 2018**

	Note	2018 £	2017 £
FIXED ASSETS			
Investments	11	849,664	849,664
		<u>849,664</u>	<u>849,664</u>
CURRENT ASSETS			
Debtors	13	79,759	60,000
Cash at bank and in hand		130,875	44,748
		<u>210,634</u>	<u>104,748</u>
CREDITORS:			
Amounts falling due within one year	14	70,711	48,358
NET CURRENT ASSETS		<u>139,923</u>	<u>56,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>989,587</u>	<u>906,054</u>
		<u>989,587</u>	<u>906,054</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>989,487</u>	<u>905,954</u>
EQUITY SHAREHOLDERS' FUNDS		<u>989,587</u>	<u>906,054</u>

The company profit for the year was £163,533 (2017 = £91,865).

The financial statements were approved by the board and authorised for issue on **10 September 2018** and were signed on its behalf by:-



J S Belfrage
Director



M J Donnelly
Director

Company Registration Number: 08365337

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 May 2018

	Called up share capital	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
	£	£	£	£	£
At 1 June 2016	100	452,138	452,238	607,249	1,059,487
Total comprehensive income for the year	-	214,071	214,071	102,164	316,235
Dividends	-	(60,000)	(60,000)	(41,971)	(101,971)
At 1 June 2017	100	606,209	606,309	667,442	1,273,751
Total comprehensive income for the year	-	264,285	264,285	91,802	356,087
Dividends	-	(80,000)	(80,000)	(37,401)	(117,401)
At 31 May 2018	100	790,494	790,594	721,843	1,512,437

Called up share capital - this reserve records the nominal value received for shares sold. There were 100 Ordinary shares issued and fully paid at the beginning and the end of the year, with a par value of £1 per share. The Ordinary shares have attached to them full voting, dividends and capital distribution (including on winding up) rights.

Retained earnings - this reserve records retained earnings and accumulated losses.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****As at 31 May 2018**

	Called up share capital £	Retained earnings £	Total £
At 1 June 2016	100	874,089	874,189
Total comprehensive income for the year	-	91,865	91,865
Dividends	-	(60,000)	(60,000)
	<hr/>	<hr/>	<hr/>
At 1 June 2017	100	905,954	906,054
Total comprehensive income for the year	-	163,533	163,533
Dividends	-	(80,000)	(80,000)
	<hr/>	<hr/>	<hr/>
At 31 May 2018	100	989,487	989,587

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 May 2018

	2018	2017
	£	£
Cash flows from operating activities		
Cash generated from operations (Note A)	686,990	737,156
Interest paid	(7)	(5,458)
Income tax paid	(80,703)	(82,436)
Net cash generated from operating activities	<u>606,280</u>	<u>649,262</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,286)	(33,645)
Receipt from sale of tangible fixed asset	13,400	-
Net cash used in investing activities	<u>(21,886)</u>	<u>(33,645)</u>
Cash flows from financing activities		
Repayments of borrowings	(40,000)	(264,120)
Dividends paid to company's shareholders	(38,400)	(28,800)
Dividends paid to non-controlling interests	(37,401)	(41,971)
Net cash used in financing activities	<u>(115,801)</u>	<u>(334,891)</u>
 Net increase in cash and cash equivalents	 <u>468,593</u>	 <u>280,726</u>
 Cash and cash equivalents at beginning of the year	 654,408	 373,681
Cash and cash equivalents at end of the year	<u>1,123,001</u>	<u>654,408</u>

NOTE A - Cash generated from operations

Profit before tax	441,649	396,715
<i>Adjustments for:</i>		
Profit on disposal of fixed asset	(7,477)	-
Depreciation charges	13,882	12,591
Amortisation	2,510	2,736
Interest payable	7	5,458
<i>Changes in working capital:</i>		
Decrease in stocks	363,456	341,741
(Increase) in debtors	(13,256)	(685,059)
(Decrease)/increase in creditors	(113,781)	662,975
Cash generated from operations	<u>686,990</u>	<u>737,156</u>

Analysis of changes in net debt - group (note 19)

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

COMPANY STATEMENT OF CASH FLOWS

Year Ended 31 May 2018

	2018 £	2017 £
Cash flows from operating activities		
Cash generated from operations (Note A)	75,079	3,666
Interest paid	-	-
Interest received	1,446	317
Income tax paid	(798)	
Net cash generated from operating activities	<u>75,727</u>	<u>3,983</u>
Cash flows from investing activities		
Dividends received from subsidiary	88,800	88,800
Inter-group loan	-	(60,000)
Net cash generated from investing activities	<u>88,800</u>	<u>28,800</u>
Cash flows from financing activities		
Repayments of borrowings	(40,000)	(45,750)
Dividends paid to company's shareholders	(38,400)	(28,800)
Net cash used in financing activities	<u>(78,400)</u>	<u>(74,550)</u>
Net increase / (decrease) in cash and cash equivalents	<u>86,127</u>	<u>(41,767)</u>
Cash and cash equivalents at beginning of the year	44,748	86,515
Cash and cash equivalents at end of the year	<u>130,875</u>	<u>44,748</u>
<u>NOTE A - Cash generated from operations</u>		
Profit before tax	181,943	92,663
<i>Adjustments for:</i>		
Dividends received from subsidiary	(88,800)	(88,800)
Interest payable	-	-
Interest receivable	(1,446)	(317)
<i>Changes in working capital:</i>		
(Increase) in debtors	(19,759)	
Increase in creditors	3,141	120
Cash generated from operations	<u>75,079</u>	<u>3,666</u>
Analysis of changes in net debt - company (note 19)		

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

1. Accounting policies

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the group's transactions are denominated. They comprise the financial statements of the group for the year ended 31 May 2018.

The company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England. The address of its registered office is detailed on page 2. The company is principally engaged in trading in feeding stuffs.

b) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost basis.

The directors of the company have decided that in view of the reporting changes under FRS102 and to make presentation of results clearer it would be more appropriate to prepare the statement of comprehensive income in accordance with the Format 1 profit and loss as per Companies Act 2006.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies.

As a Consolidated Statement of Comprehensive Income is published, a separate statement for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future with improved cash flow, banking facilities and strong customer base. As such they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed assets

Fixed assets are held at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on fixed assets at the following annual rates:

Motor Vehicles 20% on cost. Office furniture and equipment 25% on cost.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change 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 group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- * The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- * Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial instruments are recognised on the group and company's balance sheet when the entity becomes a party to the contractual provisions of the instrument.

i. Financial assets

The group's financial assets comprise basic financial instruments, being trade and other receivables and cash and bank balances.

Trade and other debtors are measured at transaction price less any impairment. Any impairment loss is recognised in the statement of comprehensive income.

The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

Financial instruments, continued

ii. Financial liabilities

The group's financial liabilities comprise basic financial liabilities, being trade and other creditors. These are initially recognised at transaction price and are measured subsequently at amortised cost.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

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.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and short term deposits with original maturities of three months or less and that are subject to an insignificant risk of changes in value. The invoice discounting balance is also included when the facility is in surplus funds.

Stock

Stocks are valued at the lower of cost and net realisable value, being consistent with the previous year; using the first in first out method.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. In accordance with FRS 102, the year end balances should be recognised at the year end spot rate.

The directors have not accounted for the year end balances in accordance with FRS 102 as they consider the effect to be immaterial.

Transactions are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment in the parent company financial statements.

Turnover

Sale of goods - revenue in respect of sales of goods is recognised when the risk and rewards of ownership have transferred to the customer, which is generally when the goods are delivered to the customer.

Sales of services - revenue in respect of sales of services is recognised at the point of supply.

Revenue is recognised net of sales taxes and trade discounts where applicable.

Other - interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholders' right to receive payment have been established.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

Goodwill

Goodwill on acquisition of the investment in Chemicals and Feeds Ltd was calculated as £13,682. This amount is being amortised on a straight line basis of 20% per annum.

The purchase of the investment in Chemicals and Feeds Ltd was originally scheduled for repayment by instalments over approximately a five year term, therefore it was considered appropriate to amortise goodwill over the same period.

Derivative instruments

In order to manage its exposure to certain foreign exchange risks, predominantly between the GBP and the EUR, the company enters into forward contracts.

The derivative financial instruments have not been recognised in the accounts.

In accordance with FRS 102, the derivative financial instruments should be recognised at fair value on the date on which the contract is entered into and then subsequently measured at fair value through profit or loss.

The directors have not accounted for derivative financial instruments in accordance with FRS 102 as they consider these to be immaterial.

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, management are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

Critical accounting estimates and assumptions

Depreciation and residual values: The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

Stock provision: Provision is made against slow-moving and discontinued stock for which the net realisable value is estimated to be less than the cost. Stock which is provided for is identified as such. The actual realisable value of this stock may differ materially from the estimated value on which the provision is based.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

3. Financial risk management

Management have overall responsibility for the establishment and oversight of the group's risk management framework. The Directors are responsible for developing and monitoring group's risk management strategy and policies. There have been no changes to the group's exposures and risks or methods used to measure and manage these risk during the year.

The group seeks to minimise these risks as detailed below:

Credit risk

The group's exposure to credit risk arises from its cash balance and debtors.

Cash balances are held at highly rated banking institutions in the UK. Debtors at the date of the balance sheet relate to trade debtors, prepayments and other debtors.

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is managed and mitigated by the policies and procedures in place and the strong on-going customer relationships.

The maximum exposure to credit risk is equal to the amounts at which the assets are included on the balance sheet.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. The group is in position to meet its commitments and obligations as they come due.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a proportion of its trade creditors being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the purchase of currency options.

Market risk

The Directors consider the main market risk would be fluctuations in currency and commodity prices; combined with sourcing of products which are affected by quotas and harvesting seasons.

The Directors do not feel the group is exposed to any other significant financial risk.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

4. Turnover

	2018	2017
Sale of goods	12,416,828	12,000,177
Provision of services	96,967	6,809
	<u>12,513,795</u>	<u>12,006,986</u>

Turnover represents net amounts receivable from outside customers of the group after deducting all discounts and excluding VAT. Turnover for the period is derived from feeding stuffs and the provision of services. Separate geographical segmental analysis of turnover is not presented as in the opinion of the directors this would be prejudicial to the group's interests.

5. Staff costs

Employees

The average weekly number of employees in the group (including directors) during the year was as follows:

	2018 Number	2017 Number
Office and management	2	2
	<u>2</u>	<u>2</u>

Staff costs (including directors) during the year amounted to:

	£	£
Wages and salaries	39,366	34,563
Pension costs	54,571	1,982
	<u>93,937</u>	<u>36,545</u>

Included in pension costs are additional company contributions for the year.

Directors' Emoluments

Remuneration	72,798	21,200
Benefits in kind	26,844	23,407
	<u>99,642</u>	<u>44,607</u>

The number of directors who accrued benefits under company pension plans was 2 (2017: 2).

6. Operating profit

	2018 £	2017 £
This is stated after charging / (crediting):		
Auditor's remuneration - audit fee	8,825	8,820
Auditor's remuneration - tax fees	1,700	1,650
Operating lease payments	14,473	14,380
Depreciation	13,882	12,591
Amortisation	2,510	2,736
Profit on sale of fixed asset	(7,477)	-
Exchange differences	<u>(87)</u>	<u>(939)</u>

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

7. Interest payable and similar charges

	2018	2017
	£	£
Bank and other loans wholly repayable within 5 years	-	41
Preference shares	-	2,443
Import loans and Invoice Finance (note 14)	7	2,974
	<u>7</u>	<u>5,458</u>

8. Tax on profit on ordinary activities

	2018	2017
	£	£
8 (a) Analysis of charge for the period		
Current Tax		
UK corporation tax on profits of the period	84,533	80,703
Total current tax charge	<u>84,533</u>	<u>80,703</u>
Deferred tax		
Origination and reversal of timing differences	1,029	(312)
Effect of decrease tax rate on opening balance	-	89
	<u>1,029</u>	<u>(223)</u>
Tax on profit on ordinary activities (note 8 (b))	<u>85,562</u>	<u>80,480</u>
8 (b) Reconciliation of tax charge		
Profit on ordinary activities before tax	<u>441,649</u>	<u>396,715</u>
Tax on profit on ordinary activities at standard CT rate of 19% (PY 19.83%)	83,913	78,680
Effects of:		
Expenses not deductible for tax purposes	1,770	1,658
Adjustment closing deferred tax to average rate of 19%	95	306
Adjustment opening deferred tax to average rate of 19%	(216)	(164)
Tax on profit on ordinary activities	<u>85,562</u>	<u>80,480</u>
8 (c) Deferred tax		
Fixed asset temporary differences	1,029	(223)
	<u>1,029</u>	<u>(223)</u>
Movement in asset:		
Asset at start of period	(1,835)	(1,612)
Deferred tax charged/(credited) in the P&L account for period	1,029	(223)
Asset at end of period (note 15)	<u>(806)</u>	<u>(1,835)</u>

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2016.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 May 2018

9. Dividends to equity shareholders

	Group and Company	
	2018	2017
	£	£
Ordinary Share Capital	80,000	60,000
Net dividends paid	<u>80,000</u>	<u>60,000</u>

10. Fixed assets

GOODWILL

THE GROUP

	£
Cost	
At 1 June 2017 & 31 May 2018	<u>13,682</u>
Amortisation	
At 1 June 2017	11,172
Charge for the year	2,510
At 31 May 2018	<u>13,682</u>
Net Book Value	
At 31 May 2018	<u>-</u>
At 31 May 2017	<u>2,510</u>

TANGIBLE FIXED ASSETS

THE GROUP	Motor Vehicles £	Furniture & Equipment £	Total £
Cost			
At 1 June 2017	62,889	31,939	94,828
Additions of fixed asset	35,286	-	35,286
Disposal of fixed asset	(29,616)	-	(29,616)
At 31 May 2018	<u>68,559</u>	<u>31,939</u>	<u>100,498</u>
Depreciation			
At 1 June 2017	27,818	30,496	58,313
Charge for the year	13,334	548	13,882
Eliminated on disposal	(23,693)	-	(23,693)
At 31 May 2018	<u>17,459</u>	<u>31,044</u>	<u>48,502</u>
Net Book Value			
At 31 May 2018	<u>51,100</u>	<u>895</u>	<u>51,996</u>
At 31 May 2017	<u>35,071</u>	<u>1,443</u>	<u>36,515</u>

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year Ended 31 May 2018****11. Investments****THE COMPANY****2018****£****Cost**

At 1 June 2017 & 31 May 2018

849,664

Subsidiary undertakings:

	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Chemicals and Feeds Ltd	England	Ordinary Shares "A" Share	67.66% 100%	Trading in feeding stuffs

The registered office of the subsidiary undertaking is the same as the group, as detailed on page 2.

12. Stocks

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Finished goods	110,034	-	473,490	-
	<u>110,034</u>	<u>-</u>	<u>473,490</u>	<u>-</u>

Stock recognised in raw materials and consumables during the year as an expense was £11,687,233 (2017: £11,145,662); the difference to the total charge recognised in the Statement of Comprehensive Income relates to haulage and other related costs.

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year Ended 31 May 2018****13. Debtors**

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade debtors	1,759,355	19,759	1,587,837	-
Prepayments	94,915	-	256,094	-
Other debtors	3,723	-	1,835	-
Unsecured loan to subsidiary company	-	60,000	-	60,000
	<u>1,857,993</u>	<u>79,759</u>	<u>1,845,766</u>	<u>60,000</u>

Other debtors includes a provision for deferred taxation (note 15).

The unsecured loan to Chemicals and Feeds Ltd attracted an interest rate of 2.41% per annum.
This loan has no fixed repayment date.

Trade and other debtors included above are held at amortised cost.

14. Creditors; amounts falling due within one year

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade creditors	1,387,760	-	1,534,021	-
Corporation tax	84,533	18,410	80,703	798
Other creditors	55,188	3,067	11,074	-
Accruals	55,356	1,484	66,990	1,410
	<u>1,582,837</u>	<u>22,961</u>	<u>1,692,788</u>	<u>2,208</u>
Director loans	47,750	47,750	46,150	46,150
	<u>1,630,587</u>	<u>70,711</u>	<u>1,738,938</u>	<u>- 48,358</u>

Trade creditors, other creditors (excluding social security) and accruals included above are held at amortised cost.

15. Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Excess of taxation allowances over depreciation on fixed assets (note 8 (c))	(806)	(1,835)
	<u>(806)</u>	<u>(1,835)</u>

CHEMICALS AND FEEDS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year Ended 31 May 2018****16. Financial commitments**

At 31 May 2018 the group had total annual commitments under property leases as follows:

	2018 £	2017 £
Within 1 year	15,496	13,182
2 - 5 years	-	-
	<u>15,496</u>	<u>13,182</u>

17. Ultimate controlling party

J S Belfrage and M J Donnelly are the ultimate controlling parties as majority shareholders and directors of the company.

18. Post balance sheet events

There are no post balance sheet events to report.

19. Analysis of changes in net debt

	As at 1 June 2017	Cash flows	As at 31 May 2018
Group	£	£	£
Net cash:			
Cash at bank and in hand	654,408	468,593	1,123,001
	<u>654,408</u>	<u>468,593</u>	<u>1,123,001</u>
Debt:			
Debt due within one year	(46,150)	(1,600)	(47,750)
	<u>608,258</u>	<u>466,993</u>	<u>1,075,251</u>
Company			
	£	£	£
Net cash:			
Cash at bank and in hand	44,748	86,127	130,875
	<u>44,748</u>	<u>86,127</u>	<u>130,875</u>
Debt:			
Debt due within one year	(46,150)	(1,600)	(47,750)
	<u>(1,402)</u>	<u>84,527</u>	<u>83,125</u>