

Company Registration No. 03600590 (England and Wales)

COMPOUND FEED ENGINEERING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

COMPOUND FEED ENGINEERING LIMITED

COMPANY INFORMATION

Directors	C J Lynch P J Dennehy
Secretary	C J Lynch
Company number	03600590
Registered office	Haydock Lane Haydock Lane Industrial Estate St Helens Merseyside WA11 9UY
Accountants	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton Lancashire BL1 4QR
Business address	Haydock Lane Haydock Lane Industrial Estate St Helens Merseyside WA11 9UY
Bankers	Barclays Bank Plc Victoria House 6 Market Place Wigan Lancashire WN1 1QS

COMPOUND FEED ENGINEERING LIMITED

CONTENTS

	Page
Statement of financial position	1 - 2
Notes to the financial statements	3 - 9

COMPOUND FEED ENGINEERING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Goodwill	3	-	6,871
Property, plant and equipment	4	574,818	588,714
		<u>574,818</u>	<u>595,585</u>
Current assets			
Inventories		1,045,240	940,692
Trade and other receivables	5	1,651,523	1,160,390
Cash at bank and in hand		10,537	39,333
		<u>2,707,300</u>	<u>2,140,415</u>
Current liabilities	6	(2,248,031)	(1,719,901)
Net current assets		<u>459,269</u>	<u>420,514</u>
Total assets less current liabilities		<u>1,034,087</u>	<u>1,016,099</u>
Non-current liabilities	7	(673,024)	(696,623)
Net assets		<u><u>361,063</u></u>	<u><u>319,476</u></u>
Equity			
Called up share capital	8	1,000	1,000
Retained earnings		360,063	318,476
Total equity		<u><u>361,063</u></u>	<u><u>319,476</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

COMPOUND FEED ENGINEERING LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 29 September 2017 and are signed on its behalf by:

C J Lynch
Director

P J Dennehy
Director

Company Registration No. 03600590

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Compound Feed Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Haydock Lane, Haydock Lane Industrial Estate, St Helens, Merseyside, WA11 9UY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Compound Feed Engineering Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Goodwill had previously been stated at cost. During the year 31st December 2008 the company commenced amortising goodwill over five years. During 2009 the company decided to amortise goodwill over seven years on the net book value of Goodwill as at 1st January 2009.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% Straight line
Plant and machinery	12.5% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	20% Reducing balance

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2015 - 11).

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	90,195
Amortisation and impairment	
At 1 January 2016	83,324
Amortisation charged for the year	6,871
At 31 December 2016	90,195
Carrying amount	
At 31 December 2016	-
At 31 December 2015	6,871

4 Property, plant and equipment

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2016	443,305	842,138	32,521	18,405	1,336,369
Additions	-	25,362	-	-	25,362
At 31 December 2016	443,305	867,500	32,521	18,405	1,361,731
Depreciation and impairment					
At 1 January 2016	79,578	637,784	24,119	6,174	747,655
Depreciation charged in the year	8,866	25,714	2,175	2,503	39,258
At 31 December 2016	88,444	663,498	26,294	8,677	786,913
Carrying amount					
At 31 December 2016	354,861	204,002	6,227	9,728	574,818
At 31 December 2015	363,727	204,354	8,402	12,231	588,714

5 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	1,025,560	887,232
Amounts due from group undertakings	548,079	217,833
Other receivables	77,884	55,325
	1,651,523	1,160,390

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Current liabilities

	2016 £	2015 £
Bank loans and overdrafts	366,081	273,098
Trade payables	1,180,361	1,046,557
Corporation tax	11,310	-
Other taxation and social security	68,405	45,307
Other payables	621,874	354,939
	<u>2,248,031</u>	<u>1,719,901</u>

The bank loans and overdrafts are secured over the assets of the company. Net obligations under hire purchase agreements are secured over the assets concerned.

Other creditors include amounts owed to Merseyside Loan and Equity Fund LLP and are secured by way of a fixed and floating charge over the company's assets.

7 Non-current liabilities

	2016 £	2015 £
Bank loans and overdrafts	272,075	283,599
Other payables	400,949	413,024
	<u>673,024</u>	<u>696,623</u>

Barclays Bank PLC holds a charge over the company's property at Haydock Lane, Haydock Industrial Estate, St Helens, Merseyside and all assets of the company.

Bank of Ireland Business Finance holds a fixed charge over certain fixed assets of the company.

Merseyside Loan and Equity Fund LLP have a fixed and floating charge over the property of the company.

Assets held under hire purchase agreements are secured over the assets concerned.

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

COMPOUND FEED ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Related party transactions

Included within debtors at the balance sheet date is an amount of £548,079 (2015: £217,833) due from Compound Feed Engineering Limited (Ireland), its parent undertaking.

During the year Compound Feed Engineering Limited (Ireland) charged Compound Feed Engineering Limited management charges totalling £631,360 (2015: £562,206) for administration services carried out by the company.

10 Control

The company is wholly owned by Compound Feed Engineering Limited (Ireland), a company registered in the Republic of Ireland which is owned and controlled by C J Lynch and P J Dennehy.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.