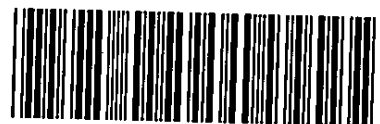


LOHMANN GB LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Company Registration Number 04087186

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LOHMANN GB LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2013

The board of directors	D S Scott Professor Dr R J Preisinger
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Company secretary	J Adams
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Business address	Suite 1B Shire Business Park Wainwright Road Worcester Worcestershire WR4 9FA
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Registered office	Suite 1B Shire Business Park Wainwright Road Worcester Worcestershire WR4 9FA
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Auditor	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU
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LOHMANN GB LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements of the company for the year ended 30 June 2013

Principal activities and business review

The principal activity of the company during the year was that of production and marketing of poultry livestock

The year 2012-13 was marked by oversupply in the egg market which kept prices for egg producers low. This, in conjunction with continuing high feed prices has made trading conditions very tough for all areas of the egg sector. We had anticipated a hard year of trading but had budgeted to repeat the sales of the previous year at 12.8m day-olds, which had been our highest volume to date. This was achieved and with the continuing good performance of Lohmann birds in the market we expect further growth in the year ahead.

The broiler breeder division of the business expanded further and with our improving ability in management of the birds, the division is becoming a significant contributor to the performance of the company overall. Further growth is expected in this area in the coming year. We will also be re-entering vaccine egg supply in the coming year which will give the company an additional enterprise and aid the stability of Lohmann GB.

Exchange rates with the Euro have dropped considerably over the last 12 months which has impacted on the cost of our parent stock purchases from Germany but we continue to monitor the situation and take opportunities to buy currency as effectively as possible. Volatility of feed costs, increasing power and fuel costs and the effects of legislation affecting employment and pensions will all be potential burdens for Lohmann GB which the company will work to minimise in the coming year.

Results and dividends

The profit for the year, after taxation, amounted to £824,366. Particulars of dividends paid are detailed in note 9 to the financial statements.

LOHMANN GB LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 JUNE 2013

Financial risk management objectives and policies

Price risk, credit risk, liquidity risk and cashflow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates, feed prices and market conditions

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Directors

The directors who served the company during the year were as follows:

D S Scott
Professor Dr R J Preisinger

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 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 of the profit or loss of the company for that year.

In preparing those 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

LOHMANN GB LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 JUNE 2013

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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company'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.

Signed on behalf of the directors



D S Scott
Director

Approved by the directors on 11/9/13

LOHMANN GB LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOHMANN
GB LIMITED

YEAR ENDED 30 JUNE 2013

We have audited the financial statements of Lohmann GB Limited for the year ended 30 June 2013 on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LOHMANN GB LIMITED

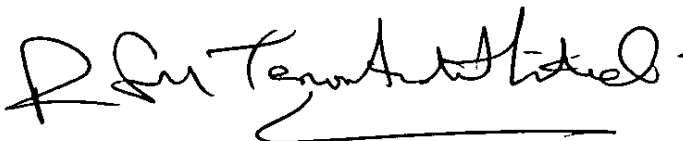
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOHMANN
GB LIMITED (continued)**

YEAR ENDED 30 JUNE 2013

Matters on which we are required to report by exception

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, 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



Stephen Newman, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Charterhouse
Legge Street
Birmingham
B4 7EU

16/9/13

LOHMANN GB LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2013

	Note	2013 £	2012 £
Turnover	2	12,430,293	11,405,509
Cost of sales		(10,173,539)	(9,160,427)
Gross profit		<u>2,256,754</u>	<u>2,245,082</u>
Administrative expenses		(1,138,733)	(1,129,737)
Other operating income	3	805	763
Operating profit	4	<u>1,118,826</u>	<u>1,116,108</u>
Interest receivable		2,191	942
Interest payable and similar charges	7	(9,434)	(12,045)
Profit on ordinary activities before taxation		<u>1,111,583</u>	<u>1,105,005</u>
Tax on profit on ordinary activities	8	(287,217)	(309,808)
Profit for the financial year		<u>824,366</u>	<u>795,197</u>

All of the activities of the company are classed as continuing

The notes on pages 10 to 18 form part of these financial statements

LOHMANN GB LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 JUNE 2013

	2013 £	2012 £
Profit for the financial year Attributable to the shareholders	824,366	795,197
Unrealised profit on revaluation of certain fixed assets	<u>642,170</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>1,466,536</u>	<u>795,197</u>

The notes on pages 10 to 18 form part of these financial statements

LOHMANN GB LIMITED
Registered Number 04087186

BALANCE SHEET

30 JUNE 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	10	2,040,479	1,393,574
Current assets			
Stocks	11	2,668,423	2,440,331
Debtors	12	2,286,961	1,791,045
Cash at bank		143,234	242,837
		<u>5,098,618</u>	<u>4,474,213</u>
Creditors: Amounts falling due within one year	14	<u>(2,738,007)</u>	<u>(2,455,547)</u>
Net current assets		2,360,611	2,018,666
Total assets less current liabilities		<u>4,401,090</u>	<u>3,412,240</u>
Creditors: Amounts falling due after more than one year	15	<u>(300,964)</u>	<u>(381,052)</u>
		<u>4,100,126</u>	<u>3,031,188</u>
Capital and reserves			
Called-up share capital	19	1,207,000	1,207,000
Revaluation reserve	20	642,170	—
Profit and loss account	21	2,250,956	1,824,188
Shareholders' funds	22	<u>4,100,126</u>	<u>3,031,188</u>

These financial statements were approved by the directors and authorised for issue on 11/9/13, and are signed on their behalf by

D S Scott
Director



The notes on pages 10 to 18 form part of these financial statements

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that its results are included within the consolidated financial statements of the ultimate parent undertaking

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation with the exception of freehold land and buildings which are stated at valuation

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Freehold land & buildings	- 2% - 10% straight line
Plant & machinery	- 20% reducing balance
Fixtures & fittings	- 20% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33% straight line

Freehold land is not depreciated

Stocks

Stock are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

1. Accounting policies *(continued)*

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS 19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	11,931,330	11,014,220
Europe	498,963	391,289
	<u>12,430,293</u>	<u>11,405,509</u>

3. Other operating income

	2013	2012
	£	£
Rent receivable	<u>805</u>	<u>763</u>

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

4 Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation of owned fixed assets	218,351	268,867
Profit on disposal of fixed assets	(5,190)	(1,087)
Auditors remuneration	7,200	6,950
Operating lease costs		
-Other	28,557	33,122
Net profit on foreign currency translation	<u>(3,625)</u>	<u>(55,006)</u>

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2013	2012
	No	No
Number of production staff	37	33
Number of administrative staff	34	33
	<u>71</u>	<u>66</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	1,470,446	1,377,439
Social security costs	134,717	126,228
Other pension costs	44,131	41,859
	<u>1,649,294</u>	<u>1,545,526</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	£
Remuneration receivable	98,400	90,085
Value of company pension contributions to money purchase schemes	9,000	8,000
	<u>107,400</u>	<u>98,085</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2013	2012
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

7. Interest payable and similar charges

	2013	2012
	£	£
Interest payable on bank borrowing	–	850
Other similar charges payable	9,434	11,195
	<u>9,434</u>	<u>12,045</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013	2012
	£	£
In respect of the year		
UK Corporation tax	274,217	324,000
Over/under provision in prior year	–	(192)
	<u>274,217</u>	<u>323,808</u>
Deferred tax		
Origination and reversal of timing differences	13,000	(14,000)
Tax on profit on ordinary activities	<u>287,217</u>	<u>309,808</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.75% (2012 - 25.00%)

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>1,111,583</u>	<u>1,105,005</u>
Profit on ordinary activities by rate of tax	264,009	281,776
Effects of		
Expenses not deductible for tax purposes	4,470	7,107
Capital allowances for period in excess of depreciation	(12,331)	15,039
Adjustments to tax charge in respect of previous periods	–	(192)
Rounding on tax charge	25	94
Fixed asset timing differences	18,044	19,984
Total current tax (note 8(a))	<u>274,217</u>	<u>323,808</u>

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

9. Dividends

Equity dividends

	2013 £	2012 £
Paid during the year		
Ordinary dividend paid	<u>397,598</u>	<u>368,776</u>

10. Tangible fixed assets

	Freehold Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost or valuation						
At 1 Jul 2012	1,008,209	1,055,055	56,765	37,930	34,174	2,192,133
Additions	–	204,687	14,677	–	3,722	223,086
Disposals	–	(5,190)	–	–	–	(5,190)
Revaluation	351,791	–	–	–	–	351,791
At 30 Jun 2013	<u>1,360,000</u>	<u>1,254,552</u>	<u>71,442</u>	<u>37,930</u>	<u>37,896</u>	<u>2,761,820</u>
Depreciation						
At 1 Jul 2012	235,095	488,042	23,911	26,909	24,602	798,559
Charge for the year	55,284	141,492	12,765	5,428	3,382	218,351
On disposals	–	(5,190)	–	–	–	(5,190)
Revaluation adjustment	(290,379)	–	–	–	–	(290,379)
At 30 Jun 2013	<u>–</u>	<u>624,344</u>	<u>36,676</u>	<u>32,337</u>	<u>27,984</u>	<u>721,341</u>
Net book value						
At 30 Jun 2013	<u>1,360,000</u>	<u>630,208</u>	<u>34,766</u>	<u>5,593</u>	<u>9,912</u>	<u>2,040,479</u>
At 30 Jun 2012	<u>773,114</u>	<u>567,013</u>	<u>32,854</u>	<u>11,021</u>	<u>9,572</u>	<u>1,393,574</u>

All freehold land and buildings underwent a valuation for the year ended 30 June 2013. The valuations which were undertaken in 2013 were at open market value on the basis of vacant possession to include the equipment by Bidwells LLP, Property Consultants.

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

11. Stocks

	2013	2012
	£	£
Raw materials	600,898	444,812
Work in progress	667,392	537,928
Finished goods	1,400,133	1,457,591
	<u>2,668,423</u>	<u>2,440,331</u>

12. Debtors

	2013	2012
	£	£
Trade debtors	2,030,448	1,529,691
Amounts owed by group undertakings	51,684	66,085
Other debtors	105,804	110,733
Prepayments and accrued income	95,525	68,036
Deferred taxation (note 13)	3,500	16,500
	<u>2,286,961</u>	<u>1,791,045</u>

13. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2013	2012
	£	£
Included in debtors (note 12)	<u>3,500</u>	<u>16,500</u>

The movement in the deferred taxation account during the year was

	2013	2012
	£	£
At 1 Jul 2012	16,500	2,500
Profit and loss account movement arising during the year	(13,000)	14,000
At 30 Jun 2013	<u>3,500</u>	<u>16,500</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2013	2012
	£	£
Excess of depreciation over taxation allowances	3,500	16,500
	<u>3,500</u>	<u>16,500</u>

A deferred tax asset has been recognised on the grounds that the directors believe it is more likely than not that the timing differences will reverse in the foreseeable future

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

14. Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loans	79,567	77,429
Trade creditors	927,542	1,008,650
Amounts owed to group undertakings	1,464,920	1,011,776
Corporation tax	129,000	194,000
PAYE and social security	35,174	34,860
Accruals and deferred income	101,804	128,832
	<u>2,738,007</u>	<u>2,455,547</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013 £	2012 £
Bank loans	<u>79,567</u>	<u>77,429</u>

Bank borrowings are secured by first legal charges over freehold land and buildings and a life policy in the name of D S Scott

15. Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Bank loans and overdrafts	<u>300,964</u>	<u>381,052</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013 £	2012 £
Bank loans and overdrafts	<u>300,964</u>	<u>381,052</u>

Bank borrowings are secured by first legal charges over freehold land and buildings and a life policy in the name of D S Scott

16. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £44,131 (2012 - £41,859)

Contributions totalling £5,821 (2012 - £5,252) were payable to the scheme at the end of the period and are included in creditors

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

17. Commitments under operating leases

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	68,064	-	61,564	-
Within 2 to 5 years	152,954	25,285	6,500	19,529
After more than 5 years	-	-	152,954	-
	<u>221,018</u>	<u>25,285</u>	<u>221,018</u>	<u>19,529</u>

18. Related party transactions

As a subsidiary undertaking of Lohmann Tierzucht GMBH, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by EW Group GMBH. Dividends paid to directors amounted to £178,919 (2012: £165,949).

19. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
663,850 Ordinary Class A shares of £1 each	663,850	663,850	663,850	663,850
543,150 Ordinary Class B shares of £1 each	543,150	543,150	543,150	543,150
	<u>1,207,000</u>	<u>1,207,000</u>	<u>1,207,000</u>	<u>1,207,000</u>

Ordinary Class A shares and Ordinary Class B shares rank pari passu in all respects

20. Revaluation reserve

	2013 £	2012 £
Revaluation of fixed assets	642,170	-
Balance carried forward	<u>642,170</u>	<u>-</u>

LOHMANN GB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

21 Profit and loss account

	2013	2012
	£	£
Balance brought forward	1,824,188	1,397,767
Profit for the financial year	824,366	795,197
Equity dividends	(397,598)	(368,776)
Balance carried forward	<u>2,250,956</u>	<u>1,824,188</u>

22. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	824,366	795,197
Other net recognised gains and losses	642,170	-
Equity dividends	(397,598)	(368,776)
Net addition to shareholders' funds	<u>1,068,938</u>	<u>426,421</u>
Opening shareholders' funds	<u>3,031,188</u>	<u>2,604,767</u>
Closing shareholders' funds	<u>4,100,126</u>	<u>3,031,188</u>

23. Ultimate parent company

The immediate parent undertaking is Lohmann Tierzucht GmbH, a company registered in Germany. The ultimate parent undertaking is EW Group GmbH, a company registered in Germany. Group accounts are prepared by EW Group GmbH and copies can be obtained from Nordollen 51, D-49429, Visbek, Germany.

The ultimate controlling entity is EW Group GmbH, a company registered in Germany.