

VITFOSS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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VITFOSS LIMITED

COMPANY INFORMATION

Directors	Jonathan Fish Jacob Pedersen
Registered number	09085703
Registered office	The Kongskilde Building Hempstead Road Holt Norfolk NR25 6EE
Independent auditors	Larking Gowen Chartered Accountant & Statutory Auditor King Street House 15 Upper King Street Norwich NR3 1RB

VITFOSS LIMITED

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VITFOSS LIMITED
REGISTERED NUMBER: 09085703

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

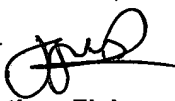
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	339,536	170,053
		<u>339,536</u>	<u>170,053</u>
Current assets			
Stocks	7	400,546	419,589
Debtors: amounts falling due within one year	8	674,276	490,907
Cash at bank and in hand	9	287,041	526,441
		<u>1,361,863</u>	<u>1,436,937</u>
Creditors: amounts falling due within one year	10	(1,585,964)	(1,396,778)
Net current (liabilities)/assets		<u>(224,101)</u>	<u>40,159</u>
Total assets less current liabilities		<u>115,435</u>	<u>210,212</u>
Net assets		<u><u>115,435</u></u>	<u><u>210,212</u></u>
Capital and reserves			
Called up share capital		200,000	200,000
Profit and loss account		(84,565)	10,212
		<u>115,435</u>	<u>210,212</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Jonathan Fish
 Director

Date: 3/5/17

The notes on pages 2 to 11 form part of these financial statements.

VITFOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Vitfoss Limited is a private company limited by shares incorporated in England and Wales, registration number 09085703. The registered office is The Kongskilde Building, Hempstead Road, Holt, Norfolk, NR25 6EE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

This is the first year in which the financial statements have been prepared under FRS102 Section 1A. Information on the impact of first time adoption of FRS 102 is given in note 17.

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day to day working capital requirements through existing financial arrangements and the continued support of its parent company.

The directors have considered company forecasts and cash flow projections, taking account of reasonable possible changes in trading performance covering the foreseeable future, being a period in excess of 12 months from the date of approving these accounts.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are confident that the company will be able to meet its liabilities as they fall due. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

VITFOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance or straight line basis.

Depreciation is provided on the following basis:

Plant and machinery	- 3.5 % or 15% Reducing balance
Office equipment	- 10% Straight line
Other fixed assets	- Full provision made in year of acquisition

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

VITFOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.15 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of tangible assets: The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Stocks: At each reporting date the company assesses stocks for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Any impairment loss is recognised in the Statement of Income and Retained Earnings.

Impairment of debtors: The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.

4. Employees

The average number of people employed by the company (Including directors) during the year was 9 (2015: 8).

5. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £6,000 (2015 - £6,000).

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NOTES TO THE FINANCIAL STATEMENTS
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6. Tangible fixed assets

	Plant and machinery £	Office equipment £	Assets in the course of construction £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2016	71,193	1,950	102,545	144	175,832
Additions	198,814	-	-	-	198,814
Transfers between classes	102,545	-	(102,545)	-	-
At 31 December 2016	372,552	1,950	-	144	374,646
Depreciation					
At 1 January 2016	5,245	390	-	144	5,779
Charge for the period on owned assets	29,136	195	-	-	29,331
At 31 December 2016	34,381	585	-	144	35,110
Net book value					
At 31 December 2016	338,171	1,365	-	-	339,536
At 31 December 2015	65,948	1,560	102,545	-	170,053

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Stocks

	2016 £	2015 £
Raw materials	251,626	306,132
Finished goods and goods for resale	148,920	113,457
	400,546	419,589

8. Debtors

	2016 £	2015 £
Trade debtors	610,608	424,845
Other debtors	62,237	35,202
Prepayments and accrued income	-	30,860
Tax recoverable	1,431	-
	674,276	490,907

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	287,041	526,441
	287,041	526,441

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10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	236,027	125,973
Amounts owed to group undertakings	1,332,008	1,244,829
Corporation tax	-	4,971
Other taxation and social security	-	6,179
Other creditors	-	2,382
Accruals and deferred income	17,929	12,444
	<u>1,585,964</u>	<u>1,396,778</u>

11. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

12. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	80,000
	<u>-</u>	<u>80,000</u>

13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,280 (2015: £2,280). Contributions totaling £Nil (2015: £165) were payable to the fund at the balance sheet date and are included in creditors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	38,934	28,800
Later than 1 year and not later than 5 years	35,290	59,164
Later than 5 years	-	18,900
	<u>74,224</u>	<u>106,864</u>

15. Related party transactions

The company has taken advantage of the exemption under FRS 102 from the requirement to disclose transactions with other wholly owned companies within the Dansk Landsbrugs Grovvarereselskab A.M.B.A group.

During the year remuneration of £77,594 (2015: £Nil) was paid to the directors.

16. Controlling party

The parent company is Vitfoss A/S, a company registered in Denmark.

The ultimate controlling party is Dansk Landsbrugs Grovvarereselskab A.M.B.A a farming co-operative registered in Denmark.

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

18. Auditors' information

The audit report, which was signed by Charles Savory ACA (Senior Statutory Auditor) for and on behalf of Larking Gowen, was unqualified.