

GFP (Agriculture) Limited

**Directors' report and financial
statements**

Registered number 07066444

30 June 2015

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Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2015.

Business review

The results for the year are shown in the attached profit and loss account. The directors consider the results satisfactory.

Principal activities

The company's principal activity during the period continued to be that of grain and seed cleaning, seed dressing and ancillary services.

Directors

The following persons served as directors during the period and to the date of this report:

Mr M J Gibson
Mr M J Phillips
Mr S Wooldridge
Mr K M Aitchison

Disclosure of information to auditor

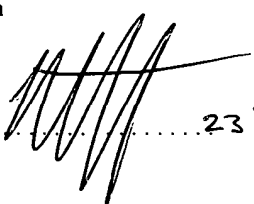
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board:

M J Gibson
Director

Dated:  23 February 2016

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of GFP (Agriculture) Limited

We have audited the financial statements of GFP (Agriculture) Limited for the year ended 30 June 2015 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mark Flanagan (Senior Statutory Auditor)

Dated: 23 February 2016

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House, Park Row, Nottingham, NG1 6FQ

Profit and loss account
for the year ended 30 June 2015

	<i>Note</i>	Year to 30 June 2015 £	18 months to 30 June 2014 £
Turnover		9,355,649	8,783,911
Cost of sales		(8,197,449)	(7,639,568)
Gross profit		1,158,200	1,144,343
Administrative expenses		(418,519)	(616,188)
Other operating income		5,964	368
Operating profit	<i>2</i>	745,645	528,523
Interest receivable		-	-
Interest payable	<i>3</i>	(30,168)	(35,230)
Profit on ordinary activities before taxation		715,477	493,293
Tax on profit on ordinary activities	<i>6</i>	(198,494)	(102,138)
Profit for the financial period	<i>13</i>	516,983	391,155

In both the current year and preceding period, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current year or preceding period other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet
as at 30 June 2015

	<i>Note</i>	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,368,490		1,021,240
Intangible assets	8		41,250		43,750
			<hr/>		<hr/>
			1,409,740		1,064,990
Current assets					
Stocks		285,821		193,376	
Debtors	9	894,872		517,148	
Cash at bank and in hand		492,118		189,855	
		<hr/>		<hr/>	
		1,672,811		900,379	
Creditors: amounts falling due within one year	10	(1,945,880)		(1,411,681)	
		<hr/>		<hr/>	
Net current liabilities			(273,069)		(511,302)
			<hr/>		<hr/>
Total assets less current liabilities			1,136,671		553,688
Deferred taxation	11	(66,000)			-
		<hr/>		<hr/>	
Net assets			1,070,671		553,688
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		1,070,571		553,588
			<hr/>		<hr/>
Shareholders' funds	14		1,070,671		553,688
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the board of directors on 23 February 2016 and were signed on its behalf by:



M J Phillips
Director

Company registered number : 07066444

Notes

(forming part of these financial statements)

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Prior period restatement

In the prior period financial statements costs relating to the running of a seed plant were included in administrative expenses. In the year to 30 June 2015 the directors decided it would be more appropriate to include these costs within cost of sales. As this amounts to a change of accounting policy this has been disclosed as a prior period adjustment. This has had the effect of increasing cost of sales for the period ended 30 June 2014 by £275,879 and reducing administrative expensed by an equal amount. The overall impact on profit for the period ended 30 June 2014 is nil.

Going concern

The directors' consider that the going concern assumption is appropriate as the company continues to be profitable, has cash at bank and has financing in place, via its parent company, sufficient to enable it to meet its financial obligations as they fall due.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers and arose entirely in the United Kingdom.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant, machinery and plant vehicles	10% to 20% straight line
Office Equipment	20% straight line

Cash flow statement

Under FRS 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a 100% subsidiary and its parent undertaking includes the company in its own published consolidated financial statements.

Stocks

Stock is valued at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised 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 otherwise required by FRS 19.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Notes (continued)

1 Accounting policies (continued)

Pensions

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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Related party exemption

The company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

2 Operating profit

	Year to	18 months to
	30 Jun 15	30 Jun 14
	£	£
<i>This is stated after charging:</i>		
Depreciation of owned fixed assets	145,750	120,981
Amortisation of intangible assets	2,500	6,250
<i>Auditor's remuneration:</i>		
- Audit of these financial statements	2,000	2,000
	<u> </u>	<u> </u>

3 Interest payable

	Year to	18 months to
	30 Jun 15	30 Jun 14
	£	£
Interest payable to parent company	30,168	35,230
	<u> </u>	<u> </u>

4 Remuneration of directors

	Year to	18 months to
	30 Jun 15	30 Jun 14
	£	£
Directors' emoluments	161,280	184,266
	<u> </u>	<u> </u>

No retirement benefits are provided to the directors of the company. Certain directors are remunerated for their services to the group by the parent company, Frontier Agriculture Limited. The charge shown above represents the cost of the directors' services provided to the company.

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	Year to 30 Jun 15	18 months to 30 Jun 14
Administrative	7	7
Processing and distribution	11	8
	<hr/>	<hr/>
	18	15
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	Year to 30 Jun 15 £000	18 months to 30 Jun 14 £000
Wages and salaries	492	532
Social security costs	49	53
Pension costs	4	1
	<hr/>	<hr/>
	545	586
	<hr/> <hr/>	<hr/> <hr/>

6 Taxation

Analysis of tax charge for the year

	Year to 30 Jun 15 £	18 months to 30 Jun 14 £
UK corporation tax	133,965	102,138
Adjustment in respect of prior periods	(1,471)	-
	<hr/>	<hr/>
Total current tax	132,494	102,138
<i>Deferred tax (note 11)</i>		
Origination/reversal of timing differences	66,000	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	198,494	102,138
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6 Taxation (continued)

Factors affecting tax charge for the year

The current tax rate for the year is lower (2014: lower) than the UK corporation tax rate of 20.72% (2014: 21.9%). The differences are explained below:

	Year to 30 Jun 15 £	18 months to 30 Jun 14 £
Profit on ordinary activities before taxation	715,477	493,293
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.72% (2014: 21.9%)	148,247	108,031
<i>Effects of:</i>		
Capital allowances for the period in excess of depreciation	(15,953)	(8,718)
Other timing differences	-	1,456
Expenses not deductible for tax purposes	1,671	1,339
Prior period adjustment	(1,471)	-
Current tax charge for the year	<u>132,494</u>	<u>102,138</u>

7 Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
<i>Cost:</i>			
At 1 July 2014	1,262,298	24,114	1,286,412
Additions	490,796	2,204	493,000
At 30 June 2015	<u>1,753,094</u>	<u>26,318</u>	<u>1,779,412</u>
<i>Accumulated depreciation:</i>			
At 1 July 2014	252,206	12,966	265,172
Charge for the period	141,476	4,274	145,750
At 30 June 2015	<u>393,682</u>	<u>17,240</u>	<u>410,922</u>
<i>Net book value:</i>			
At 30 June 2015	<u>1,359,412</u>	<u>9,078</u>	<u>1,368,490</u>
At 30 June 2014	<u>1,010,092</u>	<u>11,148</u>	<u>1,021,240</u>

Notes *(continued)*

8 Intangible assets

	Goodwill £
<i>Cost:</i>	
At 1 July 2014	50,000
Additions	-
	50,000
At 30 June 2015	50,000
<i>Amortisation:</i>	
At 1 July 2014	6,250
Charge for the period	2,500
	8,750
At 30 June 2015	8,750
<i>Net book value:</i>	
At 30 June 2015	41,250
At 30 June 2014	43,750

On 1 January 2012 the company acquired the trade and assets of the Belmont Seed business for a consideration of £56,885. Goodwill of £50,000 arose on this acquisition and is amortised over its useful life of 20 years.

9 Debtors

	2015 £	2014 £
Trade debtors	808,358	384,284
Other debtors	86,514	132,864
	894,872	517,148
	894,872	517,148

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	106,987	85,988
Amounts due to parent company	1,301,324	1,029,454
Corporation tax	133,965	102,306
Other Creditors	403,604	193,933
	1,945,880	1,411,681
	1,945,880	1,411,681

Notes *(continued)*

11 Deferred tax

	2015	2014
	£	£
At beginning of year	-	-
Charge to profit and loss account	66,000	-
	66,000	-
At end of year	66,000	-
	2015	2014
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	66,000	-

12 Share capital

	2015	2014
	£	£
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100

13 Profit and loss account

	2015	2014
	£	£
At 1 July 2014	-	553,588
Profit for the period	516,983	516,983
Dividends paid	-	-
	516,983	516,983
At 30 June 2015	1,070,571	1,070,571

14 Statement of movement in shareholders' funds

	2015	2014
	£	£
Profit for the period	516,983	391,155
Dividends paid	-	(58,333)
	516,983	332,822
Net movement in shareholders' funds	516,983	332,822
Opening shareholders' funds	553,688	220,866
	553,688	220,866
Closing shareholders' funds	1,070,671	553,688

Notes (continued)

15 Dividends

	2015	2014
	£	£
Dividends paid	-	58,333
	<u> </u>	<u> </u>

16 Related parties

Transactions with companies under the control of various directors all of which are conducted on an arm's length basis were as follows:

	GFP Northern		Gibson Faulding	
	2015	2014	2015	2014
	£	£	£	£
Sales	-	6,695	-	-
Purchases	-	-	-	-
Service income	-	2,912	-	-
Service costs	-	-	-	(209,285)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Balances:</i>				
Sales ledger	-	-	-	-
Purchase ledger	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Ultimate controlling party

The company is controlled by Frontier Agriculture Limited, a company incorporated in Great Britain and registered in England and Wales.

The consolidated financial statements of Frontier Agriculture Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.