

GFP (Agriculture) Limited

**Directors' report and financial
statements**

Registered number 07066444

30 June 2014

TUESDAY



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Directors' report

The directors present their directors' report and financial statements for the 18 months ended 30 June 2014.

Business review

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

Change of accounting reference date

During the period the company changed its accounting date from 31 December to 30 June to become coterminous with its new parent company, Frontier Agriculture Ltd, following acquisition of 100% of the share capital of the company.

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 J M Faulding (resigned 14 June 2013)
Mr M J Gibson
Mr M J Phillips
Mr S Wooldridge (appointed 14 June 2013)
Mr K M Aitchison (appointed 14 June 2013)

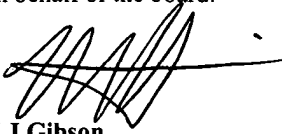
Disclosure of information to auditor

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

KPMG LLP was appointed as auditor of the company by the directors. 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: 24 March 2015

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 18 months ended 30 June 2014 set out on pages 4 to 11. 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 2014 and of its profit for the period 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.

Other matter - prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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.

Wayne Cox (Senior Statutory Auditor)

Dated: 24 March 2015

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 18 months ended 30 June 2014

	<i>Note</i>	18 months to 30 June 2014 £	Year to 31 December 2012 £
Turnover		8,783,911	6,287,051
Cost of sales		(7,363,689)	(5,519,638)
Gross profit		1,420,222	767,413
Administrative expenses		(892,067)	(506,542)
Other operating income		368	-
Operating profit	2	528,523	260,871
Interest receivable		-	138
Interest payable	3	(35,230)	(16,723)
Profit on ordinary activities before taxation		493,293	244,286
Tax on profit on ordinary activities	6	(102,138)	(58,430)
Profit for the financial period	13	391,155	185,856

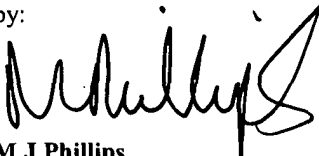
In both the current period and preceding year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current period or preceding year 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 2014

	<i>Note</i>	30 June 2014		31 December 2012	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,021,240		371,524
Intangible assets	8		43,750		30,000
			<u>1,064,990</u>		<u>401,524</u>
Current assets					
Stocks		193,376		151,990	
Debtors	9	517,148		494,783	
Cash at bank and in hand		189,855		193,355	
			<u>900,379</u>		<u>840,128</u>
Creditors: amounts falling due within one year	10	(1,411,681)		(799,972)	
Net current (liabilities)/assets			(511,302)		40,156
Total assets less current liabilities			553,688		441,680
Creditors: amounts falling due after more than one year	11		-		(220,814)
Net assets			553,688		220,866
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		553,588		220,766
Shareholders' funds	14		553,688		220,866

The financial statements were approved by the board of directors on 24 March 2015 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).

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 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 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.

Deferred taxation

No provision has been made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes, as the potential provision is immaterial.

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.

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.

Notes (continued)

1 Accounting policies (continued)

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

	18 months to 30 Jun 14	Year to 31 Dec 12
	£	£
<i>This is stated after charging:</i>		
Depreciation of owned fixed assets	120,981	48,987
Depreciation of assets held under finance leases and hire purchase contracts	-	6,900
Amortisation of intangible assets	6,250	-
<i>Auditor's remuneration:</i>		
- Audit of these financial statements	2	-
	<u> </u>	<u> </u>

3 Interest payable

	18 months to 30 Jun 14	Year to 31 Dec 12
	£	£
Interest payable	35,230	16,723
	<u> </u>	<u> </u>

4 Remuneration of directors

	18 months to 30 Jun 14	Year to 31 Dec 12
	£	£
Directors' emoluments	184,266]	38,750]
	<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.

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	
	18 months to 30 Jun 14	Year to 31 Dec 12
Administrative	7	7
Processing and distribution	8	6
	15	13

The aggregate payroll costs of these persons were as follows:

	18 months to 30 Jun 14 £000	Year to 31 Dec 12 £000
Wages and salaries	532	265
Social security costs	53	24
Pension costs	1	-
	586	289

6 Taxation

Analysis of tax charge for the year

	18 months to 30 Jun 14 £	Year to 31 Dec 12 £
UK corporation tax	102,138	58,430
	102,138	58,430

Factors affecting tax charge for the year

Effective tax rate for the period is lower (31 Dec 12: higher) than the UK corporation tax rate of 21.9% (31 Dec 12: 23.3%).

	18 months to 30 Jun 14 £	Year to 31 Dec 12 £
Profit on ordinary activities before taxation	499,543	244,286
	499,543	244,286
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.9% (31 Dec 12: 23.3%)	109,400	56,919
	109,400	56,919
<i>Effects of:</i>		
Capital allowances for the period in excess of depreciation	(8,718)	(1,406)
Other timing differences	1,456	2,917
	102,138	58,430

Notes (continued)

7 Tangible fixed assets

	Plant and machinery	Office equipment	Total
	£	£	£
<i>Cost:</i>			
At 1 January 2013	493,582	22,133	515,715
Additions	768,716	1,981	770,697
	<hr/>	<hr/>	<hr/>
At 30 June 2014	1,262,298	24,114	1,286,412
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation:</i>			
At 1 January 2013	137,452	6,739	144,191
Charge for the period	114,754	6,227	120,981
	<hr/>	<hr/>	<hr/>
At 30 June 2014	252,206	12,966	265,172
	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>			
At 30 June 2014	1,010,092	11,148	1,021,240
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	356,130	15,394	371,524
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		30 Jun 14	31 Dec 12
		£	£
Net book value of plant, machinery and vehicles included above held under finance leases and hire purchase contracts		-	55,200
		<hr/> <hr/>	<hr/> <hr/>

8 Intangible assets

	Goodwill
	£
<i>Cost:</i>	
At 1 January 2013	30,000
Additions	20,000
	<hr/>
At 30 June 2014	50,000
	<hr/>
<i>Amortisation:</i>	
At 1 January 2013	-
Charge for the period	6,250
	<hr/>
At 30 June 2014	6,250
	<hr/>
<i>Net book value:</i>	
At 30 June 2014	43,750
	<hr/> <hr/>
At 31 December 2012	30,000
	<hr/> <hr/>

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. The addition in the period relates to £20,000 of deferred consideration which was not recognised as at 31 December 2012.

Notes (continued)

9 Debtors

	30 Jun 14	31 Dec 12
	£	£
Trade debtors	384,284	488,162
Other debtors	132,864	6,641
	<u>517,148</u>	<u>494,783</u>

10 Creditors: amounts falling due within one year

	30 Jun 14	31 Dec 12
	£	£
Bank loans and overdrafts	-	66,787
Obligations under finance lease and hire purchase contracts	-	20,700
Trade creditors	85,988	521,873
Amounts due to group undertaking	1,029,454	-
Corporation tax	102,306	58,410
Other taxes and social security costs	-	6,409
Other Creditors	193,933	125,793
	<u>1,411,681</u>	<u>799,972</u>

11 Creditors: amounts falling due after more than one year

	30 Jun 14	31 Dec 12
	£	£
Bank loans	-	215,639
Obligations under finance lease and hire purchase contracts	-	5,175
	<u>-</u>	<u>220,814</u>

12 Share capital

	30 Jun 14	31 Dec 12
	£	£
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

13 Profit and loss account

	£
At 1 January 2013	220,766
Profit for the period	391,155
Dividends paid	(58,333)
	<u>553,588</u>
At 30 June 2014	<u>553,588</u>

Notes (continued)

14 Statement of movement in shareholders' funds

	30 Jun 14	31 Dec 12
	£	£
Profit for the period	391,155	185,856
Dividends paid	(58,333)	(146,666)
	<hr/>	<hr/>
Net movement in shareholders' funds	332,822	39,190
Opening shareholders' funds	220,866	181,676
	<hr/>	<hr/>
Closing shareholders' funds	<u>553,688</u>	<u>220,866</u>

15 Dividends

	30 Jun 14	31 Dec 12
	£	£
Dividends paid	<u>58,333</u>	<u>146,666</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	
	30 Jun 14	31 Dec 12	30 Jun 14	31 Dec 12
	£	£	£	£
Sales	6,695	76,264	-	-
Purchases	-	-	-	-
Service income	2,912	36,728	-	-
Service costs	-	-	(209,285)	(20,098)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Balances:</i>				
Sales ledger	-	133,046	-	-
Purchase ledger	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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.