

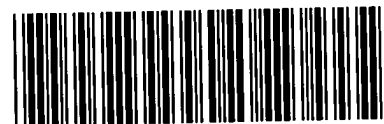
Arla Foods Holdings Company Limited

**Directors' report and financial
statements**

Registered number 851853

31 December 2017

SATURDAY



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16/06/2018
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Company information

Directors

SD Stevens (resigned 3 April 2017)
D Kolding (resigned 3 April 2017)
P Gioertz-Carlsen (resigned 3 April 2017)
AT Haegg (resigned 6 January 2017)
TKB Pietrangeli (appointed 3 April 2017)
IA Vatne (appointed 3 April 2017)
K Ajerio (appointed 3 April 2017)

Registered office

Arla House
4 Savannah Way
Leeds Valley Park
Leeds
LS10 1AB

Directors' report

The directors present their report and financial statements of the Company for the year ended 31 December 2017. The comparative period is the year ended 31 December 2016.

Principal activities

The principal activity of the Company is the holding of investments in companies within the Arla Foods UK plc group.

Business review

The Company has not traded in the year and is considered dormant.

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

Directors

The directors who held office during the year and to the date of this report are given below:

SD Stevens (resigned 3 April 2017)
D Kolding (resigned 3 April 2017)
P Gioertz-Carlsen (resigned 3 April 2017)
AT Haegg (resigned 6 January 2017)
TKB Pietrangeli (appointed 3 April 2017)
IA Vatne (appointed 3 April 2017)
K Ajerio (appointed 3 April 2017)

Indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year, and at the date of this report.

By order of the board



IA Vatne
Director

13th June 2018

4 Savannah Way
Leeds Valley Park
Leeds
LS10 1AB

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), including FRS 101 *Reduced Disclosure Framework*.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Profit and Loss Account and Other Comprehensive Income

The Company has not traded in the current or prior year and therefore received no income, nor incurred any expenses. Consequently, during those years, the Company made neither a profit nor a loss or had any other comprehensive income, and therefore no Statement of Profit and Loss Account and Other Comprehensive Income is presented.

Balance Sheet

at 31 December 2017

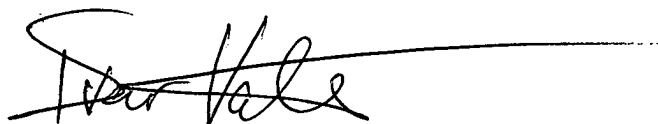
	Note	2017 £000	2016 £000
Fixed assets			
Investments	3	-	-
		<hr/>	<hr/>
Net assets		-	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	101,100	101,100
Profit and loss account	5	(104,747)	(104,747)
Capital contribution reserve	5	3,647	3,647
		<hr/>	<hr/>
Shareholders' funds		-	-
		<hr/>	<hr/>

For the year ended 31 December 2017 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements were approved by the board of directors on 13th June 2018 and were signed on its behalf by:



IA Vatne
Director

Statement of Changes in Equity
for the year ended 31 December 2017

	Share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2016, 31 December 2016, and 31 December 2017	101,100	3,647	(104,747)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes

(forming part of the financial statements)

1. Accounting policies

Arla Foods Holdings Company Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Arla Foods amba includes the Company in its consolidated financial statements. The consolidated financial statements of Arla Foods amba are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the secretary at Sonderhoj 14, DK-8260 Viby J, Denmark.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- The effects of new but not yet effective IFRSs;

As the consolidated financial statements of Arla Foods amba include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors believe this is appropriate given the financial position and performance of the company.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities

Investments in equity securities

Investments in subsidiaries are carried at cost less impairment.

1.4 Statement of profit and loss account

The company has not traded during the current financial year and has consequently incurred no expenditure nor received any income. These accounts therefore consist of balance sheet only.

Notes (continued)

1 Accounting policies (continued)

1.5 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

2. Directors' remuneration

There are no employees of the Company, other than the directors. The directors of the Company are also directors or employees of other companies within the Arla Foods UK plc group. The directors' services to the Company do not occupy a significant amount of their time. As such the director's do not consider that they have received any remuneration for their incidental services to the Company.

3. Fixed asset investments

	Investment in subsidiaries £000
<i>Cost</i>	
At beginning and end of year	-
<i>Provision</i>	
At beginning and end of year	-
<i>Net book value</i>	
At beginning and end of year	-

Notes (continued)

3. Fixed asset investments (continued)

The principal companies in which the Company's interest at the year end is more than 20% are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Class of share held	Percentage of shares held
Arla Foods UK Services Limited	England and Wales	Administrative service provider	Ordinary	100%
Arla Foods UK Investments Limited	England and Wales	Investment company	Ordinary	100%
Arla Foods Pension Plan Trustees Limited	England and Wales	Dormant company	Ordinary	50%
Arla Trustees Limited	England and Wales	Dormant company	Ordinary	50%

4. Called up share capital

	Ordinary shares of £1 each	
At beginning and end of year	101,100,000	
	2017	2016
	£000	£000
<i>Allotted, called up and fully paid</i>		
100,550,000 'A' Ordinary shares of £1 each	100,550	100,550
275,000 'B' Ordinary shares of £1 each	275	275
275,000 'C' Ordinary shares of £1 each	275	275
	101,100	101,100

The holders of the 'A', 'B' and 'C' ordinary shares have the following rights:

- an equal right in respect of all profits available and resolved to be distributed as a dividend;
- an equal right in respect of the assets of the Company available for distribution among the members, on the return of assets on a winding up or otherwise;
- equal voting rights. However, a motion of the Company cannot be carried if a majority of shareholders within any class oppose the motion.

Notes (continued)

5. Reserves

	Profit and contribution loss account £000	Capital contribution reserve £000	Total £000
At beginning of year	(104,747)	3,647	(101,100)
Result for the year	-	-	-
At end of year	(104,747)	3,647	(101,100)

Capital contribution reserve

The capital contribution reserve of £3,647,000 represents a contribution from Arla Foods UK plc, the Company's immediate parent undertaking, on 4 July 2011, to enable that company to settle its outstanding intercompany balances.

6. Ultimate parent company

The immediate parent undertaking is Arla Foods UK plc, a company registered in England. The Company's ultimate parent company is Arla Foods amba, incorporated and registered in Denmark.

The largest group in which the results of the Company are consolidated is that headed by Arla Foods amba. No other group financial statements include the results of the Company. The consolidated financial statements of Arla Foods amba can be obtained from the secretary at Sonderhoj 14, DK-8260 Viby J, Denmark.