

MOLE VALLEY FORAGE SERVICES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number 5771153

YEAR ENDED

30 SEPTEMBER 2016

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COMPANIES HOUSE

Directors

J D Billeret
C Cappe
G Cock
A Jackson
A Vigneron

Secretary and registered office

M Fox
Exmoor House
Lime Way
Pathfields Business Park
South Molton
Devon
EX36 3LH

Company number

5771153 (England & Wales)

Auditor

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Bankers

Lloyds Banking Group
17 Cross Street
Barnstaple
Devon
EX31 1BE

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Principal activity

The principal activity of the company is the manufacture and sale of fertiliser products. All activities remain within the UK. The company is a 50:50 joint venture between Mole Valley Farmers Ltd and Groupe Roullier.

Review of business and future developments

The company had a challenging trading year with sales down 4.3% to £24.5m (2015: £25.6m). The company also posted a loss after taxation of £839,300 (2015: Loss of £459,000). MVF and Groupe Roullier decided that their 10 year initiative would cease to trade on 30/04/16. This was largely a successful venture that had stood the test of time, but one which needed to adapt to the differing agricultural and economic outlook. The parting included the transfer of a number of employees to Timac Agri Solutions (a subsidiary of Groupe Roullier) and the formalising of a distribution agreement between Mole Valley Farmers and Timac. Future developments will consist of the winding up of the company.

Key performance indicators

The directors of Mole Valley Farmers Ltd manage the group's operations on a divisional basis. As such the directors of the company believe that analysis using key performance indicators is not necessary or appropriate for an understanding of its performance, development or position. The performance, development and position of the group, which includes the company, is discussed on pages 4-15 of the group's annual report.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company relate to the growing competition in the sector and reduction of farm spending.

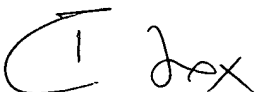
Financial risk management

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a number of customers.

Research and development

The company did not engage in any significant research and development activity in the trading year.



M Fox
Secretary
Dated: 22nd March 2017

Mole Valley Forage Services Ltd
Company reg number 5771153
Report of the directors for the year ended 30 September 2016

The directors present their annual report together with the audited financial statements for the year ended 30 September 2016

Going Concern

The directors have taken the decision to prepare the accounts on a going concern basis, to enable the wind-up of the Joint Venture. In the opinion of the directors the company will remain able to settle liabilities as they fall due for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast doubt upon the company's ability to continue as a going concern. Accordingly, they continue to adapt the going concern basis in preparing the annual financial statements

Results and dividends

The results of the company for the year are set out on page 9 and show a loss after taxation for the period of £839,300 (2015: Loss £459,000)

The directors do not recommend payment of a dividend (2015: £400,000).

Provision of information to auditor

So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors who served during year

J D Billeret
C Cappe
G Cock
A Jackson
A Vigneron
A Chapple (resigned 1 July 2016)

Auditor

Ernst and Young LLP has been appointed as the company's auditor replacing KPMG LLP.

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

The directors are responsible for preparing the Strategic Report, 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.

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.

On behalf of the Board



M Fox
Secretary
Dated: 22nd March 2017

We have audited the financial statements of Mole Valley Forage Services Limited for the year ended 30 September 2016 which comprise the Statement of income and retained earnings, Statement of comprehensive income, the Statement of financial position, Statement of Cashflows and the related notes 1 to 19. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 6, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 Strategic Report and the Directors' Report for the financial year 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.

Ernst & Young LLP

Paul Mapleston (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
22nd March 2017

Mole Valley Forage Services Ltd

Statement of Income and Retained Earnings
For the year ending 30 September 2016

		2016 Continuing activities £000's	2015 Continuing activities £000's
	Notes		
TURNOVER	2	24,529	25,578
Cost of sales		(23,481)	(23,539)
GROSS PROFIT		1,048	2,039
Administrative expenses		(1,953)	(2,637)
Other operating income	4	25	37
OPERATING LOSS		(880)	(561)
Net interest payable and similar charges	6	(41)	(22)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(921)	(583)
Tax on loss on ordinary activities	7	82	124
Loss for the financial year		(839)	(459)
Retained profits at 1 st October 2015		1,079	1,938
Dividends paid		-	(400)
Retained profits at 30 th September 2016		240	1,079

Mole Valley Forage Services Limited
Statement of Comprehensive Income
for the year ended 30 September 2016

	2016	2015
	Continuing activities	Continuing activities
	£000's	£000's
Loss for the financial year	(839)	(459)
Total comprehensive loss for the year	(839)	(459)

All amounts relate to continuing activities.

The company has no other recognised gains or losses for the year.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historic cost equivalent.

The notes on pages 13 to 21 form part of these financial statements.

Mole Valley Forage Services Limited
Statement of Financial Position
Company reg number 5771153

	Notes	2016 £000's	2015 £000's
FIXED ASSETS			
Intangible Assets	8	-	277
Tangible Assets	9	-	232
		-	509
CURRENT ASSETS			
Stocks	10	-	1,514
Debtors	11	2,352	2,504
		2,352	4,018
CREDITORS: Amounts falling due within one year	12	(1,812)	(3,148)
NET CURRENT ASSETS		540	870
TOTAL ASSETS LESS CURRENT LIABILITIES		540	1,379
NET ASSETS		540	1,379
CAPITAL AND RESERVES			
Called up share capital	14	300	300
Profit and loss account		240	1,079
Shareholders' funds		540	1,379

Approved by the Board on 22nd March 2017:

A Jackson
Director



G Cock
Director



The notes on pages 13 to 21 form part of these financial statements.

Mole Valley Forage Services Limited
Statement of Cashflows
Company reg number 5771153

	<u>Note</u>	<u>2016</u> £'000	<u>2015</u> £'000
Operating Loss for the Period		(880)	(561)
<i>Adjustments for:</i>			
Amortisation of intangible assets	8	-	18
Depreciation of tangible assets	9	30	52
Decrease/(increase) in trade and other debtors	11	138	114
Decrease/(increase) in stocks	10	1,514	361
Increase/(decrease) in trade and other creditors	12	(210)	(1,589)
Cash from operations		592	(1,605)
Taxation		108	(100)
Net cash generated from operating activities		700	(1,705)
Cash flows from investing activities			
Proceeds from sale of tangible assets		464	-
Purchases of tangible assets		-	(196)
Dividends paid to joint venture partners		-	(400)
Cash flows from investing activities		464	(596)
Cash flows from financing activities			
Interest paid		(41)	(22)
Cash flows from financing activities		(41)	(22)
Net (Decrease)/Increase in cash and cash equivalents		1,123	(2,323)
Cash and cash equivalents at the beginning of period		(1,606)	717
Cash and cash equivalents at end of period		(483)	(1,606)
Cash & Cash Equivalents			
		2016	2015
Cash in hand		0	0
Bank and overdrafts		(483)	(1,606)
		(483)	(1,606)

1. Accounting policies

Statement of Compliance

Mole Valley Forage Services Ltd is a limited liability company incorporated in England. The Registered Office is Exmoor House, Lime Way, Pathfields Business Park, South Molton, Devon EX36 3LH. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 30 September 2016.

The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

Basis of preparation

The financial statements of Mole Valley Forage Services Ltd were authorised for issue by the Board of Directors on 26 January 2017. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Going concern

The directors have taken the decision to prepare the accounts on a going concern basis, to enable the wind-up of the Joint Venture. In the opinion of the directors the company will remain able to settle liabilities as they fall due for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast doubt upon the company's ability to continue as a going concern. Accordingly, they continue to adapt the going concern basis in preparing the annual financial statements

Operating lease commitments

The Company has entered into commercial property leases as a lessor on its investment property portfolio and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Significant accounting policies

Turnover

Turnover represents amounts derived from the supply of goods falling within the company's ordinary activity, excluding value added tax. Turnover is based on the invoiced value of goods or services supplied during the year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. The rates and methods applicable are:

Leasehold land and buildings	-	straight line over the length of lease
Plant and machinery, tools and equipment	-	10 years straight line
Fixtures and fittings	-	7 years straight line
Motor vehicles	-	4-5 years straight line
Computers	-	3 years straight line

Accounting policies (and continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. Costs include a proportion of overheads where appropriate. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Financial instruments

Forward contracts are used to manage exposure to commodity price risks and are not used for trading purposes. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The company does not undertake any hedge accounting transactions.

Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leased assets

Operating leases

Rental costs incurred in respect of assets held under operating leases are charged to the profit and loss account as incurred.

2. Turnover

Turnover is derived from the company's principal activity, which is carried out wholly within the UK.

3. Profit on ordinary activities before taxation

This is stated after charging/(crediting):

		2016	2015
		£000's	£000's
Depreciation of owned assets (see note 9)		30	52
Amortisation of Intangibles	- goodwill	-	18
Total depreciation and amortisation charge		30	70
Operating leases	plant & machinery	67	101
	land and buildings	-	-
Foreign Exchange		(80)	-
Auditors' remuneration	total audit services	8	5
	total taxation services	2	3

4. Other operating income

	2016	2015
	£000's	£000's
Rents received	1	-
Trade interest received	24	37
	25	37

5. Employees & Directors

	2016	2015
	£000's	£000's
Wages and salaries	991	1,455
Social security costs	125	173
Other pension costs	28	35
	1,144	1,663

The average number of employees during the year was as follows:

61	54
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Directors' emoluments

The directors are remunerated by the respective parent companies. No remuneration is received by them from the company (2015: £nil).

	2016 Number	2015 Number
Purchasing and sales staff	28	32
Production and distribution	10	11
Management and administration	23	11
	<u>61</u>	<u>54</u>

6. Net interest payable and similar charges

	2016 £000's	2015 £000's
Bank loans and overdrafts	41	22
	<u>41</u>	<u>22</u>

7. Taxation on (loss) / profit on ordinary activities

	2016 £000's	2015 £000's
Current Tax		
UK Corporation tax on profits for the period		
Adjustment in respect of previous periods	-	(7)
Group relief payable/(receivable)	(94)	(110)
	<u>(94)</u>	<u>(117)</u>
Deferred Tax		
Origination and reversal of timing differences	12	(7)
Adjustment in respect of previous periods	-	-
	<u>12</u>	<u>(7)</u>
Total per income statement	<u>(82)</u>	<u>(124)</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

Loss for the period	(921)	(583)
Tax on loss at standard UK tax rate of 20% (2015:20%)	(184)	(120)
Expenses not deductible	1	0
Losses carried back/extinguished	101	105
Adjustment from previous period		(109)
Tax credit for the period	<u>(82)</u>	<u>(124)</u>
Current Assets		
Corporation Tax	-	(107)
Group relief debtor	(102)	(8)
	<u>(102)</u>	<u>(115)</u>

Deferred tax (assets)/liabilities:

Provision at start of period	(12)	(5)
Deferred tax charge to income statement for the period	12	(7)
	<u>-</u>	<u>(12)</u>

	Booked 30 Apr 2016	Booked 30 Sep 2015
Fixed asset timing differences	-	(5)
Short term timing difference – trading	<u>-</u>	<u>(7)</u>
Deferred tax recoverable within 12 months	-	(12)

8. Intangible assets

Intangible assets	Software Development £000's	Total £000's
Cost:		
As at 1st October 2015	357	357
Additions	<u>(357)</u>	<u>(357)</u>
As at 30th September 2016	-	-
Amortisation:		
As at 1st October 2015	80	80
Charge for the year		
Eliminated on Disposals	<u>(80)</u>	<u>(80)</u>
As at 30th September 2016	-	-
Carrying amount at 30th September 2016	-	-
Carrying amount at 30th September 2015	277	277

Mole Valley Forage Services Ltd

Notes to the accounts for the year ended 30 September 2016 (continued)

9. Tangible fixed assets

	Leasehold Property £000's	Plant & Equipment £000's	Total £000's
Cost:			
As at 1st October 2015	6	652	658
Additions	-	-	-
Disposals	(6)	(652)	(658)
As at 30th September 2016	-	-	-
Depreciation:			
As at 1st October 2015	1	425	426
Charge for the year	-	30	30
Eliminated on disposals	(1)	(455)	(456)
As at 30th September 2016	-	-	-
NET BOOK VALUE:			
As at 30th September 2016	-	-	-
As at 30th September 2015	5	227	232

Included in the amounts for plant and machinery above are the following amounts relating to leased assets and assets acquired under hire purchase contracts: £Nil

10. Stocks

	2016 £000's	2015 £000's
Branch Stocks for resale		
Raw Materials	-	715
Finished goods and goods for resale	-	799
	-	1,514

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the period, including impairment losses recognised or reversed, were £23,431,976 (2015: 21,499,012)

11 Debtors: Amounts falling due within one year

	2016	2015
	£000's	£000's
Trade debtors	2,236	2,340
Other Debtors	14	37
Corporation Tax	102	115
Deferred Taxation	-	12
	2,352	2,504

12 Creditors: Amounts falling due within one year

	2016	2015
	£000's	£000's
Bank loans and overdraft	483	1,606
Trade creditors	148	1,004
Other taxes and social security	622	367
Accruals and deferred income	559	170
	1,812	3,147

The bank overdraft is secured by a floating charge over certain of the group's assets.

13. Commitments under operating leases

The company holds operating leases with future minimum rentals payable under non-cancellable operating leases are as follows:

		Motor Vehicles & Equipment	
		2016	2015
		£000's	£000's
Expiring:	Within one year	-	11
	Two to five years	-	231
		-	242

14. Share capital

	2016	2015
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
300,000 ordinary shares of £1 each	300	300

Mole Valley Forage Services Ltd

Notes to the accounts for the year ended 30 September 2016 (continued)

15. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2014.

As a result of the transition to FRS102, there were no changes to the company's balance sheet at either 1 October 2014 or 30 September 2015, nor any change to the company's performance for the year ended 30 September 2015 as previously reported.

16. Related party transactions

During the year, the company entered into transactions in the ordinary course of business, with other related parties.

The company also sold goods to directors of Mole Valley Farmers Ltd to the value of £61,809 (2015: £222,588) and had balances owing of £Nil (2015: £1,750). No sales or purchases were made to / from the directors of the Roullier Group

Transactions entered into, and trading balances outstanding as at 30 September 2016 are as follows:

Mole Valley Farmers Ltd

The joint venture company who has a 50% controlling interest in the company

Related party transactions relate to sale of goods

	Sales	Purchases
2016	4,302,749	328,374
2015	1,112,818	682,847

Amount due from related party at the balance sheet date

2016	542,254	288
2015	87,339	6,232

D & I Bridgmans

A wholly owned subsidiary of Mole Valley Farmers Ltd

Related party transactions relate to sale of goods

	Sales	Purchases
2016	547,201	-
2015	468,473	-

Amount due from related party at the balance sheet date

2016	8,150	-
2015	323,309	-

Mole Valley Forage Services Ltd

Notes to the accounts for the year ended 30 September 2016 (continued)

Cox & Robinsons Ltd

A wholly owned subsidiary of Mole Valley Farmers Ltd

Related party transactions relate to sale of goods

	Sales	Purchases
2016	486,995	-
2015	-	-

Amount due from related party at the balance sheet date

2016	9,641	-
2015		-

Mole Valley Feed Solutions

A wholly owned subsidiary of Mole Valley Farmers Ltd

Related party transactions relate to sale of goods

	Sales	Purchases
2016	11,361	-
2015	6,399	36,441

Amount due from related party at the balance sheet date

2016	-	-
2015	3,420	-

Roullier Group

The joint venture company who has a 50% controlling interest in the company

Related party transactions relate to sale of goods

	Sales	Purchases
2016	852,581	1,417,191
2015	47,046	3,919,916

Amount due from related party at the balance sheet date

2016	479,879	386,374
2015	13,521	415,900

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The company has not been provided or benefited from any guarantees for any related party receivables or payable. During the year ended 30 September 2016, the company has not made any provision for doubtful debts relating to amounts owed to related parties.

17. Ultimate parent company and controlling party

The company has no ultimate parent undertaking. It is part of a 50:50 joint venture agreement between Mole Valley Farmers, at its registered address Exmoor house, Pathfields, Line way, South Molton, EX36 3LH (Company number 679848) and Groupe Roullier (Registered in France).

18. Events after the reporting period

There have been no events after the reporting period

19. Authority for issue and approval of financial statements

The financial statements were authorised for issue and approval by the Board on 26th January 2017. The company's owners do not have the power to amend the financial statements after issue.