Cargill Chocolate UK Limited

Directors' report, strategic report and financial statements

31 May 2018

Registered number 00367513

Contents

Directors' report

Introduction

The directors present their report and the audited financial statements for the year ended 31 May 2018.

Principal activity

The principal activity of the company is toll processing in the production of chocolate ingredients for a fellow Cargill, Incorporated subsidiary. On 1 June 2018 the entire trade and assets of the company were acquired by Cargill PLC, the company's immediate parent company. At this date the company ceased to trade.

Directors

The directors who served during the period and at the report date were:

S J Hamilton

MJ Timewell

Market value of land and buildings

In the opinion of the directors the market value of the buildings of the company exceeds the book value of the assets at 31 May 2018.

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 they ought to have taken as a director to make themselves 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

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL

S J Hamilton

Director

25 February 2019

Strategic report

Business review and summary results

The directors consider the key performance indicators for the business to be turnover and profit.

Summarised results are given below:

	31 May 2018 £	31 May 2017 £
Turnover	**5,230,922**	6,361,861
Profit after taxation for the financial year	**138,752**	407,401

Extended business commentary

For the year under review the company acted as a toll manufacturer of industrial chocolate and chocolate compounds products for Cargill NV, a company registered in Belgium, and a fellow Cargill, Incorporated subsidiary. The arrangement results in the company charging a tolling fee on a cost plus basis.

The products we manufacture have minimal impact on the environment, however, the company continues to put environmental responsibilities high on the agenda, having maintained the percentage of its waste being recycled at around 80% with no landfill waste during the year.

As explained in the directors' report on 1 June 2018 the entire trade and assets of the company were acquired by Cargill PLC, the company's immediate parent company. At this date the company ceased to trade.

Going concern

The company has ceased to trade, therefore the financial statements have not been prepared on the going concern basis.

Financial risks

The company's activities expose it to a range of financial risks that include interest rate risk. As all sales are to a fellow group company the exposure to credit risk is limited. Cargill's management, operating at the pan-European and worldwide platforms, regularly review the financial risk against established policies.

Interest rate risk – the company is exposed to movements in the level of interest rates. Debt is maintained on a floating rate basis through a centrally managed treasury function within a fellow subsidiary.

Dividends

During the period the company neither declared nor paid a dividend *(2017: £nil).*

Policy and practice on payment of creditors

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

On behalf of the board

S J Hamilton

S J Hamilton
Director
25 February 2019

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL

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

The directors are responsible for preparing the directors' report, strategic 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless they intend to liquidate the company or cease operations, or have no realistic alternative but to do so. As explained in note 1 the directors do not believe that it is appropriate to prepare the financial statements on a going concern basis.

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.

KPMG

Independent auditor's report to the members of Cargill Chocolate UK Limited

Opinion

We have audited the financial statements of Cargill Chocolate UK Limited ("the company") for the year ended 31 May 2018 which comprise the Profit and Loss Account, Statement of Total Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Emphasis of matter – non going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

Independent auditor's report to the members of Cargill Chocolate UK Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Neil Calder

Neil Calder *(Senior Statutory Auditor)*
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ
26 February 2019

Profit and loss account
for the year ended 31 May 2018

	Note	31 May 2018	31 May 2017
		£	£
Turnover	2	5,230,922	6,361,861
Cost of sales		(4,335,619)	(4,451,698)
Gross profit		895,303	1,910,163
Administrative expenses		(772,447)	(1,016,113)
Net operating expenses		(772,447)	(1,016,113)
Operating profit		122,856	894,050
Loss on disposal of fixed assets		-	(382,821)
Profit before interest		122,856	511,229
Other interest receivable and similar income	4	25,444	23,723
Profit before taxation		148,300	534,952
Tax on profit	6	(9,548)	(127,551)
Profit for the financial year		138,752	407,401

As explained in the directors' report all the trade and assets of the company were transferred to Cargill PLC on 1 June 2018 so the profit and loss account has been prepared on the basis that all activities are discontinuing operations.

In both the current year and preceding period the company made no material acquisitions.

Statement of total comprehensive income
for the year ended 31 May 2018

	31 May 2018	31 May 2017
	£	£
Profit for the year	138,752	407,401
Other comprehensive income	-	-
Total comprehensive income	138,752	407,401

The notes on pages 9 to 17 form part of these financial statements.

Balance sheet
at 31 May 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	7		8,056,016		4,724,991
Current assets					
Debtors	8	7,510,956		10,958,299	
		7,510,956		10,958,299	
Creditors: amounts falling due within one year	9	(1,010,995)		(1,414,215)	
Net current assets			6,499,961		9,544,084
Total assets less current liabilities			14,555,977		14,269,075
Provisions for liabilities and charges	10		(247,472)		(99,322)
Net assets			14,308,505		14,169,753
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account			14,307,505		14,168,753
Shareholder's funds			14,308,505		14,169,753

The notes on pages 9 to 17 form part of these financial statements.

These financial statements were approved by the board of directors on 25 February 2019 and were signed on its behalf by:

S J. Hamilton

S J Hamilton
Director

Registered number 00367513

Statement of changes in equity
for the year ended 31 May 2018

	Share capital £	Profit and loss account £	Total £
At 1 June 2017	1,000	14,168,753	14,169,753
Total comprehensive income	-	138,752	138,752
At 31 May 2018	**1,000**	**14,307,505**	**14,308,505**

Statement of changes in equity
for the year ended 31 May 2017

	Share capital £	Profit and loss account £	Total £
At 1 June 2016	1,000	13,761,352	13,762,352
Total comprehensive income	-	407,401	407,401
At 31 May 2017	**1,000**	**14,168,753**	**14,169,753**

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

Statement of compliance

Cargill Chocolate UK Limited is a private limited liability company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 00367513 and the registered office is Velocity 1, Brooklands Drive, Weybridge, Surrey KT13 0SL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling and are presented to the nearest whole pound.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 14. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Fair value or revaluation as deemed cost – The fair value at transition date has been used as deemed cost for specific tangible fixed assets;
- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

As explained in the directors' report the trade and assets of the company were transferred to Cargill PLC on 1 June 2018 at book values. From this date the company has ceased to trade, therefore the financial statements have not been prepared on the going concern basis.

Turnover

Turnover includes commission derived from the company acting as a toll manufacturer for a fellow group company. In the prior year turnover also represented the amounts, excluding Value Added Tax, derived from the provision of goods and services to customers.

Revenue is only recognised when the goods are delivered and when the risks and rewards of ownership passes to the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at deemed cost less accumulated depreciation. Depreciation is calculated to write down the cost of fixed assets less estimated residual value over their useful lives on a straight line basis as follows:

Plant and machinery	Between 3 and 20 years

Dividends on shares presented within shareholder's 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.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Post-retirement benefits

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. 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)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Assets acquired under finance leases or hire purchase contracts are capitalised and are depreciated as tangible fixed assets. The capital element of future obligations under lease and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged to the profit and loss account at the rate of return on outstanding capital repayments which was provided for under each lease contract.

All other leases are treated as operating leases. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Basic financial instruments

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Classification of financial instruments issued by the company

Under FRS102.22 financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

2 Segmental analysis

Analysis by geographical segment

In both the current and preceding year all of the company's sales and operating profits originated in the United Kingdom. An analysis of turnover by geographical destination is shown below:

	31 May 2018	31 May 2017
	£	£
Rest of Europe	**5,230,922**	6,361,861
Turnover	**5,230,922**	6,361,861

Notes *(continued)*

3 Staff numbers and costs

The company has no employees. The employees are under contract of employment with Cargill PLC. The average number of persons employed by Cargill PLC on behalf of the company (including directors) during the period, analysed by category was as follows:

Number of employees	31 May 2018 Number	31 May 2017 Number
Production	**36**	37
Management	**2**	2
Distribution	**16**	16
Administration	**2**	5
	56	60

	£	£
Wages and salaries	**1,727,383**	2,018,655
Pension costs	**211,125**	240,670
Social security costs	**248,829**	223,641
	2,187,337	2,482,966

The directors' emoluments were borne by other group undertakings. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company in either the current or preceding year.

4 Other interest receivable and similar income

	31 May 2018 £	31 May 2017 £
Amounts derived from group companies	**25,444**	23,723

5 Auditor's remuneration

	31 May 2018 £	31 May 2017 £
Auditor's remuneration		
Audit of these financial statements	**11,586**	11,410

Notes *(continued)*

6 Taxation

Total tax expense recognised in the profit and loss account

	31 May 2018 £	31 May 2017 £
Current tax		
UK corporation tax at 19.00% *(2017: 19.83%)*	**(141,815)**	179,312
Adjustment in respect of prior years	**3,213**	26,542
Total current tax	**(138,602)**	205,854
Deferred tax		
Origination of timing differences	**172,373**	(69,265)
Impact of change in tax rate	**(6,794)**	(8,770)
Adjustment in respect of prior years	**(17,429)**	(268)
Total deferred tax	**148,150**	(78,303)
Tax charge on profit	**9,548**	127,551

Reconciliation of effective tax rate

	31 May 2018 £	31 May 2017 £
Profit for the year	**138,752**	407,401
Total tax expense	**9,548**	127,551
	148,300	534,952
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% *(2017: 19.83%)*	**28,177**	106,081
Effects of:		
Expenses not deductible for tax	**2,381**	3,966
Decrease in tax rate	**(6,794)**	(8,770)
Adjustments in respect of prior periods	**(14,216)**	26,274
Total tax charge for the year	**9,548**	127,551

Factors that may affect future current and total tax charges

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19% was enacted on 26 October 2015 and applied from 1 April 2017.

The deferred tax balance at 31 May 2018 has been calculated based on the rate of 17%, which is effective from 1 April 2020 and was substantively enacted at the balance sheet date. This reduces the company's future current tax rate accordingly.

Notes *(continued)*

7 Tangible fixed assets

	Plant and machinery £	Construction in progress £	Total £
Cost			
At 1 June 2017	15,065,964	1,361,231	16,427,195
Additions	-	3,819,409	3,819,409
Reclassification	581,190	(581,190)	-
At 31 May 2018	**15,647,154**	**4,599,450**	**20,246,604**
Accumulated depreciation			
At 1 June 2017	11,702,204	-	11,702,204
Charge for the period	488,384	-	488,384
At 31 May 2018	**12,190,588**	**-**	**12,190,588**
Net book value			
At 31 May 2018	**3,456,566**	**4,599,450**	**8,056,016**
At 1 June 2017	3,363,760	1,361,231	4,724,991

8 Debtors

	2018 £	2017 £
Due within one year		
Amounts owed by group undertakings	**7,119,859**	10,777,128
Other debtors	**111,515**	125,012
Prepayments and accrued income	**137,767**	56,159
Corporation tax receivable	**141,815**	-
	7,510,956	10,958,299
Amounts owed by group undertakings comprise:		
Trade debtors	**485,984**	104,185
Short term loans	**6,633,875**	10,672,943
	7,119,859	10,777,128

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Due within one year		
Trade creditors	**870,688**	877,632
Amounts owed to group undertakings	-	162,280
Corporation tax	-	182,660
Accruals and deferred income	**140,307**	191,643
	1,010,995	1,414,215
Amounts owed to group undertakings comprise:		
Trade creditors	-	162,280
	-	162,280

10 Deferred tax assets and liabilities

	Assets		Liabilites		Total	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Accelerated capital allowances	-	-	(247,472)	(99,322)	(247,472)	(99,322)
Other timing difference	-	-	-	-	-	-
Total tax liability	-	-	(247,472)	(99,322)	(247,472)	(99,322)
Net of tax assets	-	-	-	-	-	-
Net tax liability	-	-	(247,472)	(99,322)	(247,472)	(99,322)

11 Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	**1,000**	1,000

Notes *(continued)*

12 Operating lease commitments

Total non-cancellable operating lease rentals are payable as follows:

	2018	2017
	£	£
Land and Buildings		
Within one year	**366,046**	339,415
Between one and five years	**1,464,184**	1,357,660
After five years	**3,019,880**	3,167,873
Plant and Machinery		
Within one year	**65,198**	37,830
Between one and five years	**16,268**	15,430
	4,931,576	4,918,208

The expense recognised in the year was £446,802 *(31 May 2017: £438,773).*

As explained in the directors' report the operating lease rental obligations were transferred to Cargill PLC on 1 June 2018.

13 Accounting estimates and judgements

The preparation of the financial statements requires the company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Recoverability of fixed assets

At each period end the directors consider the recoverability of the fixed assets based on the trading position of the company and with reference to the current market value of the property.

14 Ultimate holding company and parent undertaking

The immediate parent undertaking of Cargill Chocolate UK Limited is Cargill PLC, a company incorporated in Great Britain and registered in England and Wales. Cargill, Incorporated is the ultimate parent undertaking of Cargill Chocolate UK Limited and is regarded by the directors as being the company's ultimate controlling party.

The parent undertaking of the smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.