Provimi Limited

Directors' report, strategic report and financial statements

31 May 2018

Registered number 1262691

Contents

Directors' report

Introduction

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

Principal activities

The principal activities of the company are the manufacture and distribution of animal feed supplements and veterinary animal health products.

Employees

During the period the company has maintained its an-angements for providing information to employees on matters of concern to them, involving employees in the decision-making process and developing a common awareness of the factors affecting the performance of the company.

The company does all that is practical to meet its responsibility towards the employment, training, career development and promotion of disabled people. Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative.

Directors

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

AP Boey	(appointed 15 November 2017, resigned 10 April 2018)
G A RKlein Gebbink	(resigned 15 November 2017)
BJ Rogers	(appointed 15 November 2017)
D Rosenberg	(resigned 15 November 2017)
F Urquidi Negron	(appointed 10 April 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.

This confirmation is given and should be interpreted in accordance with the provisions of s41 8 of the Companies Act 2006.

By order of the board

Dalton Airfield Industrial Estate
Dalton
Thirsk
North Yorkshire
Y073HE

F Urquidi Negron
Director

26 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:

	2018	2017
	£	£
Turnover	52,522,526	45,832,682
Loss after taxation	(7,643,557)	(4,752,221)

There has not been any significant change in the company's principal activities in the period and the directors are not aware, at the date of this report, of any likely changes in the company's activities in the coming year.

During the year ended 31 May 2018 the company has continued to invest for the future. Part of the investment has been directed towards improving volumes sold which has had a positive impact on the year's turnover, in particular animal feed supplements. Market environment continues to put pressure around pricing and the company strives to position itself to take any opportunities.

The directors are confident that the changes made during the year make the business fit for the future.

Financial risks

The company operates in a highly competitive market place, increased commoditisation is occurring in the starter nutrition area, being part of a large multinational with the ability to conduct primary research into added value supplements and health products ensures that Provimi Limited can differentiate its product offering from that of the competition.

Commodity price - The continuation of high commodity prices continues to challenge the entire industry; the company manages risk and exposure by covering materials on a back to back basis where possible. The central procurement organisation ensures that our material coverage delivers greater cost benefits and moving forward using Cargill's expertise in purchasing, the trading margins are captured and maintained.

Credit risk - Working capital, especially credit control, remains a focus area for the business, customer consolidation continues as does farmers exiting animal production. The continuation of the financial crisis provides us with extra reason to keep close control on debt.

Brexit risk - The directors acknowledge the potential risk to the company which will arise in relation Britain's planned exit from the European Union on 29 March 2019. The directors believe being part ofa large multinational group will ensure the company's exposure to possible implications linked to this risk should be reduced to an acceptable level.

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.

The company had 67 days *(2017: 72 days)* of purchases in creditors outstanding at 31 May 2018, based on the average daily amount invoiced by suppliers.

Strategic report *(continued)*

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. The financial position of the company described in these financial statements.

The company has considerable financial support, together with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have prepared the accounts on a going concern basis, notwithstanding net current liabilities of £19,733,585 for the following reason. Cargill, Incorporated has given an undertaking to provide the necessary financial suppo11 to the company to enable it to meet its liabilities as they fall due for the next twelve months.

By order of the board

Dalton Airfield Industrial Estate
Dalton
Thirsk
North Yorkshire
Y07 3HE

F Urquidi Negron
Director

26 February 2019

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

The directors are responsible for preparing the directors' report, the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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
- use 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.

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 Provimi Limited

Opinion

We have audited the financial statements of Provimi 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 I.

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 loss 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease their operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

KPMG

Independent auditor's report to the members of Provimi Limited (continued)

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.

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 bylaw 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 4, 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.

Anthony Hambleton

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

Dated: 28 February 2019

Profit and loss account
for the year ended 31 May 2018

	Note	2018 £	2017 £
Turnover	2	52,522,526	45,832,682
Cost of sales		(45,843,304)	(41,385,185)
Gross profit		6,679,222	4,447,497
Distribution costs		(4,200,466)	(3,343,923)
Administrative expenses		(4,162,996)	(4,579,948)
Impairment of tangible fixed assets			(1,486,473)
Administrative expenses - exceptional	3	(7,460,000)	
Net operating expenses		(15,823,462)	(9,410,344)
Operating loss		(9,144,240)	(4,962,847)
Loss on disposal of tangible fixed assets		(119,333)	
Loss on ordinary activities before interest		(9,263,573)	(4,962,847)
Interest receivable and similar income	5	360,000	359,423
Interest payable and similar expenses	6	(365,517)	(246,575)
Loss before taxation	7	(9,269,090)	(4,849,999)
Tax credit on loss	8	1,625,533	97,778
Loss for the financial year		(7,643,557)	(4,752,221)

The notes on pages 10 to 21 form part of the financial statements.

All activities derive from continuing operations.

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

	2018 £	2017 £
Loss for the financial year	(7,643,557)	(4,752,221)
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income	(7,643,557)	(4,752,221)

Balance sheet
at 31 May 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		4,626,139		4,472,631
Intangible assets	JO				
			4,626,139		4,472,631
Current assets					
Stocks	II	5,659,304		6,541,012	
Debtors	12	15,466,773		13,975,806	
Cash at bank		72,600		692,562	
		21,198,677		21,209,380	
Creditors: amounts falling due within one year	13	(34,932,262)		(26,153,591)	
Net current liabilities					
Due within one year		(19,733,585)		(10,944,211)	
Debtors due after more than one year	12	6,000,000		6,000,000	
Net current liabilities			(13,733,585)		(4,944,211)
Total assets less current liabilities			(9,107,446)		(471,580)
Creditors: amounts falling due after one year	14		(2,544,308)		(2,573,884)
Provisions for liabilities and charges	15.		(71,787)		(1,034,520)
Net liabilities			(11,723,541)		(4,079,984)
Capital and reserves					
Called up share capital	16		5,000,550		5,000,550
Revaluation reserve			328,269		328,269
Capital redemption reserve			350		350
Profit and loss account			(17,052,710)		(9,409,153)
Shareholder's deficit			(11,723,541)		(4,079,984)

The notes on pages 10 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 26 February 2019 and were signed on its behalf by:

F Urquidi Negron
Director

Registered number 1262691

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

	Called up share capital £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total Equity £000
At I June 2017	5,000,550	328,269	350	(9,409,153)	(4,079,984)
Total comprehensive income for the year					
Loss for the financial year				(7,643,557)	(7,643,557)
Other comprehensive income					
Total comprehensive income for the year				(7,643,557)	(7,643,557)
At 31 May 2018	**5,000,550**	**328,269**	**350**	**(17,052,710)**	**(11,723,541)**

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

	Called up share capital £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total Equity £000
At 1 June 2016	5,000,550	328,269	350	(4,656,932)	672,237
Total comprehensive income for the year					
Loss for the financial year				(4,752,221)	(4,752,221)
Other comprehensive income					
Total comprehensive income for the year				(4,752,221)	(4,752,221)
At 31 May 2017	**5,000,550**	**328,269**	**350**	**(9,409,153)**	**(4,079,984)**

The notes on pages IO to 21 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Statement of compliance

Provimi Limited is a limited liability company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 01262691 and the registered office is Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, Y07 3HE

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 1 02* "). The presentation currency of these financial statements is sterling.

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 19. 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:

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 1 02.26 *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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Notes *(continued)*

1 Accounting policies*(continued)*

Basis of preparation

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

The directors have prepared the accounts on a going concern basis, notwithstanding net current liabilities of £19,733,585 for the following reason. Cargill, Incorporated has confirmed that it will not cause a demand repayment of amounts owed by the company to its lender in relation to its funding arrangements with the period of twelve months from the date the financials are signed, if such a demand for repayment would lead to the insolvency of the company.

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.

Turnover

Turnover represents the amounts, excluding Value Added Tax, derived from trading commodities and the provision of goods and services to customers during the year. Revenue is only recognised when the goods are delivered and when the risks and rewards of ownership pass to the buyer. Revenue is not recognised if the company acts as an agent rather than the principal to a transaction.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling at foreign exchange rates ruling at the dates the fair value was determined.

Dividends on shares presented within sltareltolder'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.

Intangible fixed assets and amortisation

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software	8 years

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fLXed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impailment losses. Depreciation is calculated to write down the cost of the fixed assets less estimated residual value over their useful lives on a straight line basis for assets acquired from that date as explained below.

Other buildings	8 to 50 years
Plant and machinery	3 to 15 years
Fixtures and fittings	4to IO years

No depreciation is provided on freehold land. Cost includes directly attributable finance costs.

Impairment

A review of impairment of a fixed asset is be carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. Where an impairment review is performed and indicates that the carrying amount of a fixed asset is overstated, a provision for permanent diminution in value should be calculated and charged to the income and expenditure account.

Finance Leases

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the direct cost of production and the proportion attributable of production overheads appropriate to location and condition. Net realisable value is estimated selling price reduced by all costs of completion, marketing, selling and distribution.

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 ta\'. 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. DefetTed tax balances are not discounted. Unrelieved tax losses and other defetTed tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred ta\'. liabilities or other future taxable profits.

Notes *(continued)*

1 Accounting policies *(continued)*

Post-retirement benefits

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.

The company offers at its discretion, an arrangement whereby employees who retire from company service under the Cargill Pension Plan and who were participating in the Cargill Group Medical Scheme on retirement date, may continue their membership of the Cargill Group Medical Scheme by paying the appropriate annual premium to the company which is at a subsidised rate. This arrangement is also made available to the spouse of an employee who dies in service and was participating in the Cargill Group Medical Scheme up to the date of the death.

Cash

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

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.

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.

Notes *(continued)*

2 Segmental analysis

Analysis by geographical segment

In the cun-ent period all of the company's sales and operating profits originated in the United Kingdom, where all of its net operating assets were located.

An analysis of turnover by geographical destination is shown below:

	2018	2017
	£	£
UK	**40,859,107**	35,230,679
Other European countries	**11,521,903**	10,304,921
Rest of the World	**141,516**	297,082
Turnover	**52,522,526**	45,832,682

3 Staff numbers and costs

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

	2018	2017
	Number	Number
Production	**60**	76
Sales and administration	**62**	69
	122	145

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**5,523,821**	5,476,494
Social security costs	**385,128**	503,295
Other pension costs	**7,979,746**	283,459
	13,888,695	6,263,248

During the year the company was required to make a payment of £7,460,000 to the Cargill Pension Scheme as required under Section 75 of the Pensions Act 1995.

This amount has been classified as exceptional in the profit and loss account as such given the fact it is not expected to reoccur and is material in value.

Notes *(continued)*

4 Directors' remuneration

	2018	2017
	£	£
Directors' emoluments		
remuneration (excluding pension contributions)	**55,529**	15,063
Total directors' remuneration	**55,529**	15,063

The aggregate of emoluments and amounts receivable under the long term incentive scheme of the highest paid director was £nil *(2017: £15,063)*.

A P Boey, G A R Klein Gebbink, D Rosenberg and F Urquidi Negron are remunerated by other companies within the Cargill, Incorporated group. 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.

5 Interest receivable and similar income

	2018	2017
	£	£
Amounts derived from group companies	**360,000**	359,423
	360,000	359,423

6 Interest payable and similar expenses

	2018	2017
	£	£
Amounts payable to group companies	**365,517**	246,575
	365,517	246,575

7 Expenses and auditor's remuneration

The following amounts in respect of auditor's remuneration were charged to the profit and loss account of this company: audit of these financial statements £56,321 *(2017: £60,598)*.

Notes *(continued)*

8 Taxation

	2018	2017
	£	£
Total tax credit in the profit and loss account		
Current tax		
UK corporation tax at 19.00% *(2017: 19.83%)*	**(660,825)**	(631,642)
Adjustment in respect of prior periods	**(1,975)**	6,736
	(662,800)	(624,906)
Deferred tax		
Deferred taxation arising from the origination and reversal of timing differences	**(1,075,995)**	643,827
Adjustment in respect of prior periods		(2,227)
Deferred tax movement relating to rate change	**113,262**	{114,472)
Total deferred tax	**(962,733)**	527,128
Tax credit on loss	**(1,625,533)**	(97,778)

Reconciliation of effective tax rate

The differences are explained below:

	2018	2017
Loss before taxation	**(9,269,090)**	(4,849,999)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% *(2017: 19.83%)*	**(1,761,127)**	(961,755)
Effects of:		
Expenses not deductible for corporation tax purposes	**24,306**	159,889
Brought forward tax losses derecognised		814,051
Adjustment due to tax rate	**113,263**	(114,472)
Adjustments in respect of prior periods	**(1,975)**	4,509
Total tax credit for the year	**(1,625,533)**	(97,778)

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 19.00% 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 futüre cmTent tax rate accordingly.

Notes *(continued)*

9 Tangible fixed assets

	Freehold land £	Buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 June2017	719,764	3,789,094	10,712,415	305,033	15,526,306
Disposals			(275,966)		(275,966)
Additions		33,138	1,103,823		1,136,961
At 31 May 2018	719,764	3,822,232	11,540,272	305,033	16,387,301
Accumulated depreciation					
At 1 June 2017		2,959,285	7,856,225	238,165	11,053,675
Disposals			(113,017)		(113,017)
Charge for period		111,613	696,335	12,556	820,504
At 31 May 2018		3,070,898	8,439,543	250,721	11,761,162
Net book value					
At 31 May 2018	**719,764**	**751,334**	**3,100,729**	**54,312**	**4,626,139**
At31 May2017	719,764	829,809	2,856,190	66,868	4,472,631

The net book value of land and buildings comprises

	2018 £	2017 £
Freehold	**1,732,331**	1,732,331

Freehold land and buildings include land amounting to £719,764 *(2017: £719,764)* which is not depreciated.

Notes *(continued)*

10 Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 June 2017	1,253,022	1,253,022
Disposals		
Retranslation		
At 31 May 2018	1,253,022	1,253,022
Accumulated depreciation		
At 1 June 2017	1,253,022	1,253,022
Disposals		
Charge for period		
Retranslation		
At 31 May 2018	1,253,022	1,253,022
Net book value		
At 31 May 2018		
At 31 May 2017		

11 Stocks

	2018 £	2017 £
Raw materials and consumables	**3,015,630**	2,934,617
Finished goods and goods for resale	**2,643,674**	3,606,395
	5,659,304	6,541,012

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £31,978,308 *(2017: £29,178,723).*

Notes *(continued)*

12 Debtors

	2018	2017
	£	£
Due within one year		
Trade debtors	**7,595,244**	5,573,713
Amounts owed by group undertakings - trade debtors	**650,317**	955,948
Amounts owed by group undertakings - accrued interest	**148,932**	148,931
Other debtors	**298,032**	425,626
Corporation tax receivable	**657,011**	632,951
Prepayments and accrued income	**117,237**	238,637
	9,466,773	7,975,806
Due after one year		
Amount owed by group undertakings - long term deposit	**6,000,000**	6,000,000
	6,000,000	6,000,000
Total debtors	**15,466,773**	13,975,806

Interest is charged on the loan balance to the a fellow subsidiary company at a rate of 6% per annum. The loan is due for repayment in October 2019.

13 Creditors: amounts falling due within oneyear

	2018	2017
	£	£
Trade creditors	**3,351,995**	5,570,300
Amounts owed to group undertakings	**30,067,724**	18,955,360
Other taxation and social security	**169,959**	550,563
Accruals and deferred income	**1,342,584**	1,077,368
	34,932,262	26,153,591
Amounts owed to group undertakings comprise:		
Trade creditors	**4,414,010**	4,089,868
Accrued interest	**1,935,514**	1,780,882
Short term loans	**23,718,200**	13,084,610
	30,067,724	18,955,360

14 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Loan from parent undertaking	**2,544,308**	2,573,884
	2,544,308	2,573,884

Interest is charged on the loan balance by the parent company at a rate of 5% per annum. There are no terms for the repayment of the loan, however, this has been agreed with the counterparty to be greater than twelve months after the year end.

Notes *(continued)*

15 Provisions for liabilities and charges

	2018	2017
	£	£
Deferred taxation		
Opening provision	**1,034,520**	507,392
(Credit)/ charge for the period	**(962,733)**	527,128
Closing provision	**71,787**	1,034,520

The elements of the deferred tax balances are as follows;

	Assets		Liabilites		Total	
	2018	2017	**2018**	2017	**2018**	2017
	£	£	£	£	£	£
Accelerated capital allowances			**2,937**	14,520	**(2,937)**	(14,520)
Chargeable gains held over			**1,020,000**	1,020,000	**(1,020,000)**	(1,020,000)
Other timing differences	**951,150**				**951,150**	
Total tax asset	**951,150**		**1,022,937**	1,034,520	**(71,787)**	(1,034,520)
Net of tax liabilites	**(951,150)**		**(951,150)**			
Net tax liabilities			71,787	1,034,520	**(71,787)**	(1,034,520)

16 Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
5,000,550 ordinary shares of £1 each	**5,000,550**	5,000,550

17 Related party transactions

The company is exempt from disclosing transactions with other wholly owned group companies under Section 33.IA ofFRS 102. The consolidated financial statements of Cargill, Incorporated, within which the company is included, are publicly available from the address given in note 19.

Notes *(continued)*

18 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
	£	£
Within one year	**227,654**	311,123
Within two and five years inclusive	**334,370**	
	562,024	311,123

During the year £475,829 *(2017: £359,299)* was recognised as an expense in the profit and loss account in respect of operating leases.

19 Ultimate holding company and parent undertaking

The immediate parent undertaking of Provimi Limited is Nutec Holdings Ltd, a company incorporated in Great Britain and registered in England and Wales. Cargill, Incorporated is the ultimate parent undertaking of Provimi 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.