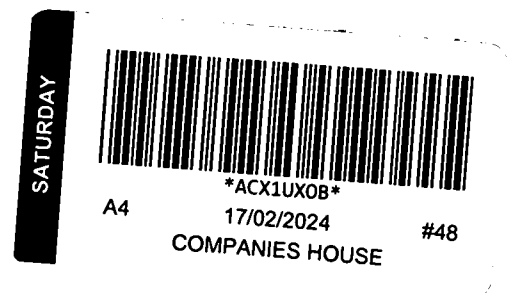


Dairy Consulting Limited

Annual Report and Financial Statements

for the Period from 10 November 2022 to 31 August 2023



DAIRY CONSULTING LIMITED

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DAIRY CONSULTING LIMITED

COMPANY INFORMATION

Directors S M Gurvis

M L Neil

Company secretary R G Cahill

Registered office Weston Centre
10 Grosvenor Street
London
W1K 4QY

Auditors Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

DAIRY CONSULTING LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

The directors present their report for the period from 10 November 2022 to 31 August 2023.

Principal activity

The principal activity of the company is to provide specialist business services to the entire food supply chain, serving market sectors including farming, the agricultural supply trade, food processors, retailers and public sector organisations.

Fair review of the business

The company is a wholly owned subsidiary of Associated British Foods plc and was incorporated on 10 November 2022.

On 30 November 2022, the entity acquired the trade and assets of K22 Services LLP and 100% of the share capital of KO2 Limited. Dairy Consulting Limited (DCL) is the parent company of KO2 Limited, trading as Advance Sourcing, which procures animal feed and nutritional supplements for supply to the customers of DCL, trading as Kite Consulting.

The loss on ordinary activities before taxation was £24,817.

Principal risks and uncertainties

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this is a fully owned subsidiary, are disclosed in the group's Annual Report, which is available at www.abf.co.uk.

Specific risks to the company include:

Milk price

Milk price fluctuations are a key risk to the business as falling farmer margins or industry restructuring can result in reduced sales. This is mitigated by targeting higher performing businesses that are less vulnerable to market instability and also through maintaining very high levels of customer service that is valued above and beyond the costs of the service. We monitor and predict changes in dairy markets continually as this understanding is a valued product supplied to clients. We foresee negative price signals result in changes in farm policies with a 6-8 month delay.

Section 172(1) statement

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The Company is a subsidiary of Associated British Foods plc and, as such, the Company has adopted and the directors have due regard to applicable group policies and procedures which impact on the Company's stakeholders, including those referred to in the Associated British Foods plc Annual Report and Accounts. Please also see the Associated British Foods plc Section 172 statement contained in the same document.

Stakeholders and engagement

As part of the identification of key stakeholders, the directors have identified the following stakeholder groups with whom engagement is fundamental to the Company's ongoing success:

- Employees
- Suppliers
- Customers
- Communities and environment
- Its shareholder
- Subsidiary and other ABF group entities

Employees

The company indirectly employs 34 people, with 20 additional employees as part of the KO2 subsidiary. Our people are arguably our biggest asset and the values and culture that we adopt as a business are central to the Company's performance. During the reporting period, the company strived to engage employees whilst leaning into a culture of continuous professional development. Bimonthly CPD sessions are run internally, training courses available through our parent company of AB Agri have been increasingly utilised and business wide communications are regularly shared and cascaded.

DAIRY CONSULTING LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

Various away days and 1-to-1 meetings keep our colleagues informed and engaged with company performance. Our Senior Leadership Team are ingrained in the heart of these activities and regularly review the outcome of communications and events to derive the most benefit to our people.

Suppliers

Our Supplier Code of Conduct, which applies to all companies in the Associated British Foods group, and which can be found on the Associated British Foods website, sets out our values and standards on how we work and engage with our suppliers on ethical, environmental and other relevant matters, including on key issues such as payment practices, responsible sourcing, supply chain sustainability, and human rights and modern slavery. Despite the challenges of inflation, the Company remains committed to paying its suppliers in a timely fashion, as demonstrated by its continued membership to the Prompt Payment Code.

Customers

We work with livestock and arable businesses, serving market sectors including farming, the agricultural supply trade, food processors, retailers and public sector organisations. In addition, we are recognised for our pioneering environmental work, driving sustainability improvements with farmers through designed change management programmes. Our sister company, Advance Sourcing, works to secure the best deals on agricultural inputs for our clients and inputs that compliment the positive management policies we advocate via consultancy.

We leverage our knowledge-base and relationships, which are unique in fostering communication and understanding across the entire chain from farm to retailer. Our 34 consultants interact with farmer customers and corporate customers developing paid professional service contracts or advance sales.

Communities and environment

As a company, employer and as part of the wider agricultural community, we at Kite Consulting take our responsibilities seriously, so we are developing our own sustainability agenda. We share the values and goals of our clients as we aim to build an efficient, productive sustainable dairy industry. To therefore show our commitment to reducing our own carbon footprint, we have created a Sustainability Statement which can be viewed on our website. This will be updated on an ongoing basis as we measure and report our footprint on a yearly basis.

Shareholder

The Company reports up to its shareholder, and ultimately to the board of Associated British Foods plc, through reports up to the senior management of the business division of which the Company forms part. The Company takes appropriate steps to ensure that its shareholder is kept up to date on key business activities and decisions.

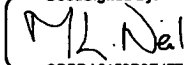
Subsidiary and other ABF group entities

The Company forms part of the group of companies headed by Associated British Foods plc and the Company's accounts are consolidated into the Associated British Foods plc accounts. Group companies can provide financial and other support to the Company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged.

08-02-2024 | 09:14:08 GMT

Approved by the Board on and signed on its behalf by:

DocuSigned by:



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M L Neil
Director

DAIRY CONSULTING LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

The directors present their report and the financial statements for the period from 10 November 2022 to 31 August 2023.

Incorporation

The company was incorporated on 10 November 2022.

Directors' of the company

The directors, who held office during the period, were as follows:

S M Gurvis (appointed 10 November 2022)

J K Hoopes (appointed 10 November 2022 and ceased 20 December 2023)

M L Neil (appointed 10 November 2022)

Financial instruments

Objectives and policies

The company's financial instruments comprise cash and liquid resources, and various other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the operations of the company. The nature of these financial instruments means that they are not subject to price risk.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk:

Price risk is the risk that the fair value of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency). The company's exposure to price risk is considered to be limited.

Liquidity risk

The directors constantly monitor cash flows to ensure that the company has sufficient liquid resources to meet its operational requirements.

Credit risk

The company makes sales on credit terms to a number of its customers. However, before such terms are agreed an assessment of the customers credit rating is undertaken to ensure that the customer does not represent a major credit risk to the company. Credit limits are then set accordingly, therefore reducing the company's exposure to credit risk. The Group is also exposed to credit risk on bank balances although this risk is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Cash flow risk

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the company. The company manages cash flow by careful negotiation of terms with customers and supplies to maintain available funds to meet its liabilities as they fall due.

Health and safety reporting

The Company, and the broader group of which it forms part, keeps its health, safety and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective.

DAIRY CONSULTING LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

Going concern

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Disclosure of information to the auditors

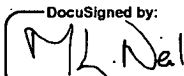
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Hazlewoods LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

08-02-2024 | 09:14:08 GMT

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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M L Neil
Director

DAIRY CONSULTING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DAIRY CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAIRY CONSULTING LIMITED

Opinion

We have audited the financial statements of Dairy Consulting Limited (the 'company') for the period from 10 November 2022 to 31 August 2023, which comprise the Income Statement, Balance Sheet Statement of Comprehensive Income, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS101 "Reduced Disclosure Framework" (United Kingdom generally accepted accounting practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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:

DAIRY CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAIRY CONSULTING LIMITED

- 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.

Responsibilities of directors

As explained more fully in the statement of directors responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits conducted in accordance with ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations.

DAIRY CONSULTING LIMITED

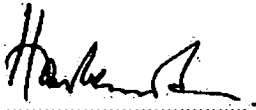
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAIRY CONSULTING LIMITED

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Rebecca Copping (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 09/02/2024

DAIRY CONSULTING LIMITED**INCOME STATEMENT FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023**

	Note	2023 £
Turnover	3	3,899,139
Cost of sales		<u>(2,849,433)</u>
Gross profit		1,049,706
Administrative expenses		(1,239,169)
Other operating income	4	<u>264,884</u>
Operating profit	5	75,421
Interest receivable and similar income	6	49,762
Interest payable and similar expenses	7	<u>(150,000)</u>
Loss before tax		(24,817)
Tax on loss	9	<u>(417)</u>
Loss for the period		<u><u>(25,234)</u></u>

The above results were derived from continuing operations.

DAIRY CONSULTING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 10 NOVEMBER 2022 TO
31 AUGUST 2023**

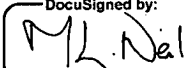
	2023 £
Loss for the period	<u>(25,234)</u>
Total comprehensive income for the period	<u><u>(25,234)</u></u>

DAIRY CONSULTING LIMITED**(REGISTRATION NUMBER: 14475755)
BALANCE SHEET AS AT 31 AUGUST 2023**

	Note	31 August 2023 £
Fixed assets		
Intangible assets	11	6,933,381
Tangible assets	10	14,311
Investments	12	<u>9,772,000</u>
		<u>16,719,692</u>
Current assets		
Debtors	13	4,247,970
Cash at bank and in hand	14	<u>269,098</u>
		4,517,068
Creditors: Amounts falling due within one year	15	<u>(3,660,577)</u>
Net current assets		<u>856,491</u>
Total assets less current liabilities		17,576,183
Provisions for liabilities	16, 9	<u>(500,417)</u>
Net assets		<u>17,075,766</u>
Capital and reserves		
Called up share capital	17	17,101,000
Profit and loss account		<u>(25,234)</u>
Shareholders' funds		<u>17,075,766</u>

08-02-2024 | 09:14:08 GMT

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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 M L Neil
 Director

DAIRY CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

	Called up share capital £	Profit and loss account £	Total £
Loss for the period	-	(25,234)	(25,234)
Total comprehensive income	-	(25,234)	(25,234)
New share capital subscribed	17,101,000	-	17,101,000
At 31 August 2023	<u>17,101,000</u>	<u>(25,234)</u>	<u>17,075,766</u>

DAIRY CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

Weston Centre
10 Grosvenor Street
London
W1K 4QY

The principal place of business is:

The Dairy Lodge
Dunston Business Village
Dunston
Staffordshire
ST18 9AB

These financial statements were authorised for issue by the Board on 08/02/2024

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards, but makes amendments, where necessary in order to comply with with Companies Act 2006 and has set out below where disclosure exemptions have been taken.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Summary of disclosure exemptions

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

- Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66, B67 of IFRS 3 - 'Business combinations'.
- IFRS 7 - 'Financial instruments: Disclosures'.
- IAS 7 - 'Statement of cash flows'.
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).

DAIRY CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

Going concern

As set out in note 19, the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in the Annual Report and Accounts dated 7 November 2023 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 400 of the Companies Act from the requirement to prepare group accounts as it is a wholly owned subsidiary of Associated British Foods plc. These financial contain information about the company as an individual undertaking and not about its group.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 10 November 2022 have had a material effect on the financial statements.

Turnover

Recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover from the provision of services is recognised when the performance obligations specific to individual customer contracts have been satisfied. This turnover is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The principles in IFRS are applied to turnover recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Taxation

Corporation tax payable is provided on taxable profits at the prevailing rate.

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been substantively enacted by the balance sheet date.

Tangible assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

DAIRY CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	15-33.33% straight line

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

The Companies Act 2006 requires goodwill to be amortised on a systematic basis over its useful economic life. Under FRS 101, goodwill is not amortised and is instead reviewed for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a true and fair override to overcome the requirement to amortise goodwill in the Companies Act 2006. Had the company amortised goodwill, a period of ten years would have been chosen as its useful life. The profit before tax for the year would have been £520,004 lower had goodwill been amortised in the period.

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

DAIRY CONSULTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023****Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Turnover

The analysis of the company's turnover for the period from continuing operations, all of which is derived from the UK market, is as follows:

	2023
	£
Rendering of services	<u>3,899,139</u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	2023
	£
Management charges receivable	<u>264,884</u>

5 Operating profit

Arrived at after charging/(crediting)

	2023
	£
Depreciation expense	<u>4,892</u>

6 Interest receivable and similar income

	2023
	£
Interest income on bank deposits	<u>49,762</u>

7 Interest payable and similar expenses

	2023
	£
Interest paid to group undertakings	<u>150,000</u>

8 Staff costs

The company does not directly employ any individuals. A recharge of £2,389,915 has been received from a group company to cover employee time spent working for the company.

9 Income tax

Tax charged/(credited) in the income statement

	2023
	£
Deferred taxation	
Arising from origination and reversal of temporary differences	<u>417</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK of 22.11%. The differences are reconciled below:

DAIRY CONSULTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023**

	2023
	£
Loss before tax	<u>(24,817)</u>
Corporation tax at standard rate	(5,487)
Decrease from effect of capital allowances depreciation	(206)
Other tax effects for reconciliation between accounting profit and tax expense	<u>6,110</u>
Total tax charge	<u>417</u>

Deferred tax

Deferred tax assets and liabilities

	Liability
	£
2023	
Accelerated tax depreciation	<u>(417)</u>

Deferred tax movement during the period:

	At 10	Recognised	At
	November	in income	31 August
	2022	£	2023
	£	£	£
Accelerated tax depreciation	<u>-</u>	<u>(417)</u>	<u>(417)</u>

10 Tangible assets

	Office
	equipment
	£
Cost or valuation	
Acquired through business combinations	<u>104,331</u>
At 31 August 2023	<u>104,331</u>
Depreciation	
Acquired through business combinations	85,128
Charge for the period	<u>4,892</u>
At 31 August 2023	<u>90,020</u>
Carrying amount	
At 31 August 2023	<u>14,311</u>

11 Intangible assets

	Goodwill
	£
Cost or valuation	
Additions	<u>6,933,381</u>
At 31 August 2023	<u>6,933,381</u>
Carrying amount	
At 31 August 2023	<u>6,933,381</u>

DAIRY CONSULTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023****12 Investments**

Subsidiaries	£
Cost or valuation	
Additions	<u>9,772,000</u>
At 31 August 2023	<u>9,772,000</u>
Carrying amount	
At 31 August 2023	<u><u>9,772,000</u></u>

Details of the subsidiaries as at 31 August 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2023	
KO2 Limited	The procurement of animal feed and nutritional supplements.	Weston Centre, 10 Grosvenor Street, London, W1K 4QY	Ordinary	100%	0%

13 Trade and other debtors

	31 August 2023
	£
Trade debtors	1,365,978
Provision for impairment of trade debtors	<u>(22,749)</u>
Net trade debtors	1,343,229
Accrued income	132,707
Prepayments	27,761
Other debtors	<u>2,744,273</u>
	<u><u>4,247,970</u></u>

14 Cash at bank and in hand

	31 August 2023
	£
Cash at bank	<u><u>269,098</u></u>

15 Trade and other creditors

	31 August 2023
	£
Trade creditors	60,094
Accrued expenses	285,570
Amounts due to group undertakings	3,099,625
Other creditors	197
Deferred income	<u>215,091</u>
	<u><u>3,660,577</u></u>

DAIRY CONSULTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 NOVEMBER 2022 TO 31 AUGUST 2023**

Amounts owed by group undertakings are short term in nature, bear no interest and are held on normal trading terms.

16 Other provisions

	Deferred consideration £
Increase through business combinations	<u>500,000</u>
At 31 August 2023	<u>500,000</u>
Non-current liabilities	<u>500,000</u>

The provision for deferred consideration comprises a retention payable on the acquisition which took place during the financial year. The retention is due for payment on 30 November 2024.

17 Share capital**Allotted, called up and fully paid shares**

	31 August 2023	
	No.	£
Ordinary shares of £1 each	<u>17,101,000</u>	<u>17,101,000</u>

The company was incorporated on 10 November 2023 with 1,000 Ordinary shares of £1 each.

On 16 February 2023, 17,100,000 Ordinary shares of £1 each were allotted and fully paid at par value.

18 Reserves

Called up share capital

This represents the nominal value of the issued share capital.

Profit and loss account

This represents the cumulative profit or losses, net of dividends and other adjustments.

19 Parent and ultimate parent undertaking

The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales.

The largest group of undertakings for which group accounts are drawn up (within which the results of the company are consolidated) and of which the company is a member is headed by Wittington Investments Limited. The smallest such group of undertakings is headed by Associated British Foods plc, which is incorporated in the United Kingdom and registered in England and Wales.

The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of Wittington Investments Limited and Associated British Foods plc. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.