

COMPANY REGISTRATION NUMBER: 03216535

Baird Foods Limited
Financial Statements
31st October 2017



GARRATTS WOLVERHAMPTON LIMITED

Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

Baird Foods Limited
Financial Statements
Year ended 31st October 2017

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Baird Foods Limited
Officers and Professional Advisers

The Board of Directors

Mr N R Baird
Mr B G Baird
Mr T L Baird

Company Secretary

Mrs A A Baird

Registered Office

Unit 10
Barton Marina
Barton Under Needwood
Burton On Trent
Staffordshire
England
DE13 8DZ

Auditor

Garratts Wolverhampton Limited
Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

Bankers

Lloyds Bank plc
293 High Street
West Bromwich
West Midlands

Baird Foods Limited
Strategic Report
Year ended 31st October 2017

The principal activity of the company during the year was that of wholesale meat and poultry suppliers.

The company is pleased to report a satisfactory result for the financial year with a profit before tax of £1,042,167 (2016: £789,729). The gross profit margin slightly reduced to 10.6% compared to 11.2% for the previous financial year due to a higher priced product mix, with lower margins. The turnover increased from £19,599,837 to £25,129,118 for this financial year, a increase of 28%, due to higher product values and extra output.

The directors believe that the company is in a strong position at the end of the year to maintain both the turnover and gross profit margin.

The principal risks facing the food industry are possible food health scares, but at this moment in time there is no evidence to suggest there is anything of that nature. The company cannot foresee a drop in market confidence caused by a national or European crisis but does ensure that the highest food standards possible on all the goods sold is maintained and operate to British Retail Consortium and full Food Standards Agency standards.

This report was approved by the board of directors on 8th March 2018 and signed on behalf of the board by:


Mr N R Baird
Director


Mrs A A Baird
Company Secretary

Registered office:
Unit 10
Barton Marina
Barton Under Needwood
Burton On Trent
Staffordshire
England
DE13 8DZ

Baird Foods Limited
Directors' Report
Year ended 31st October 2017

The directors present their report and the financial statements of the company for the year ended 31st October 2017.

Directors

The directors who served the company during the year were as follows:

Mr N R Baird
Mr B G Baird
Mr T L Baird

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is set out in the Company's Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting estimates that are reasonable and prudent;
- 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.

Baird Foods Limited

Directors' Report *(continued)*

Year ended 31st October 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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 report was approved by the board of directors on 8th March 2018 and signed on behalf of the board by:



Mr N R Baird
Director



Mrs A A Baird
Company Secretary

Registered office:
Unit 10
Barton Marina
Barton Under Needwood
Burton On Trent
Staffordshire
England
DE13 8DZ

Baird Foods Limited

Independent Auditor's Report to the Members of Baird Foods Limited

Year ended 31st October 2017

Opinion

We have audited the financial statements of Baird Foods Limited (the 'company') for the year ended 31st October 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Baird Foods Limited

Independent Auditor's Report to the Members of Baird Foods Limited *(continued)*

Year ended 31st October 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Baird Foods Limited

Independent Auditor's Report to the Members of Baird Foods Limited *(continued)*

Year ended 31st October 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Baird Foods Limited

Independent Auditor's Report to the Members of Baird Foods Limited *(continued)*

Year ended 31st October 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R S Chaggar FCA (Senior Statutory Auditor)

For and on behalf of
Garratts Wolverhampton Limited
Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

8th March 2018

Baird Foods Limited
Statement of Income and Retained Earnings
Year ended 31st October 2017

	Note	2017 £	2016 £
Turnover	4	25,129,118	19,599,837
Cost of sales		<u>22,471,980</u>	<u>17,407,667</u>
Gross profit		2,657,138	2,192,170
Distribution costs		930,196	723,706
Administrative expenses		<u>684,775</u>	<u>677,201</u>
Operating profit	5	1,042,167	791,263
Other interest receivable and similar income	9	2,250	—
Interest payable and similar expenses	10	<u>6,745</u>	<u>1,534</u>
Profit before taxation		1,037,672	789,729
Tax on profit	11	<u>199,986</u>	<u>159,264</u>
Profit for the financial year and total comprehensive income		<u>837,686</u>	<u>630,465</u>
Dividends paid and payable	12	(475,000)	(380,000)
Retained earnings at the start of the year		<u>2,768,122</u>	<u>2,517,657</u>
Retained earnings at the end of the year		<u>3,130,808</u>	<u>2,768,122</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 18 form part of these financial statements.

Baird Foods Limited
Statement of Financial Position
31st October 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	333,163	283,441
Current assets			
Stocks	14	2,490,246	1,431,339
Debtors	15	2,727,390	3,042,678
Cash at bank and in hand		1,223,696	1,898,859
		<u>6,441,332</u>	<u>6,372,876</u>
Creditors: amounts falling due within one year	16	<u>2,946,091</u>	<u>3,198,336</u>
Net current assets		<u>3,495,241</u>	<u>3,174,540</u>
Total assets less current liabilities		<u>3,828,404</u>	<u>3,457,981</u>
Provisions			
Taxation including deferred tax	17	<u>59,338</u>	<u>51,601</u>
Net assets		<u><u>3,769,066</u></u>	<u><u>3,406,380</u></u>
Capital and reserves			
Called up share capital	20	638,258	638,258
Profit and loss account	21	<u>3,130,808</u>	<u>2,768,122</u>
Shareholders funds		<u><u>3,769,066</u></u>	<u><u>3,406,380</u></u>

These financial statements were approved by the board of directors and authorised for issue on 8th March 2018, and are signed on behalf of the board by:


Mr N R Baird
Director

Company registration number: 03216535

The notes on pages 12 to 18 form part of these financial statements.

Baird Foods Limited
Statement of Cash Flows
Year ended 31st October 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	837,686	630,465
<i>Adjustments for:</i>		
Depreciation of tangible assets	58,935	57,162
Other interest receivable and similar income	(2,250)	–
Interest payable and similar expenses	6,745	1,534
Tax on profit	199,986	159,264
Accrued (income)/expenses	(14,310)	67,797
<i>Changes in:</i>		
Stocks	(1,058,907)	452,664
Trade and other debtors	315,288	(799,884)
Trade and other creditors	(194,595)	815,028
Cash generated from operations	148,578	1,384,030
Interest paid	(6,745)	(1,534)
Interest received	2,250	–
Tax paid	(192,959)	(130,947)
Net cash (used in)/from operating activities	<u>(48,876)</u>	<u>1,251,549</u>
Cash flows from investing activities		
Purchase of tangible assets	(108,657)	(42,292)
Proceeds from sale of tangible assets	–	2,175
Net cash used in investing activities	<u>(108,657)</u>	<u>(40,117)</u>
Cash flows from financing activities		
Proceeds from borrowings	(87,500)	42,500
Proceeds from loans from group undertakings	44,870	–
Dividends paid	(475,000)	(380,000)
Net cash used in financing activities	<u>(517,630)</u>	<u>(337,500)</u>
Net (decrease)/increase in cash and cash equivalents	(675,163)	873,932
Cash and cash equivalents at beginning of year	1,898,859	1,024,927
Cash and cash equivalents at end of year	<u>1,223,696</u>	<u>1,898,859</u>

The notes on pages 12 to 18 form part of these financial statements.

Baird Foods Limited
Notes to the Financial Statements
Year ended 31st October 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 10, Barton Marina, Barton Under Needwood, Burton On Trent, Staffordshire, DE13 8DZ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Baird Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10% straight line
Fixtures and fittings	- 25% straight line
Equipment	- 25% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Sale of goods	<u>25,129,118</u>	<u>19,599,837</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Baird Foods Limited
Notes to the Financial Statements *(continued)*
Year ended 31st October 2017

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	58,935	57,162
Impairment of trade debtors	6,030	2,008
Foreign exchange differences	<u>(10,112)</u>	<u>(31,181)</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>12,500</u>	<u>11,000</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No	No
Administrative staff	<u>10</u>	<u>11</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	303,215	310,084
Social security costs	29,740	22,305
Other pension costs	22,674	13,351
	<u>355,629</u>	<u>345,740</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	33,875	31,750
Company contributions to defined contribution pension plans	20,000	12,950
	<u>53,875</u>	<u>44,700</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No	No
Defined contribution plans	<u>3</u>	<u>3</u>

9. Other interest receivable and similar income

	2017	2016
	£	£
Interest on loans and receivables	<u>2,250</u>	<u>-</u>

Baird Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2017

10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	<u>6,745</u>	<u>1,534</u>

11. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	160,411	161,121
Group relief	31,838	-
Deferred tax:		
Origination and reversal of timing differences	<u>7,737</u>	<u>(1,857)</u>
Tax on profit	<u>199,986</u>	<u>159,264</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.41% (2016: 20%).

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>1,037,672</u>	<u>789,729</u>
Profit on ordinary activities by rate of tax	201,450	157,946
Effect of expenses not deductible for tax purposes	(10,541)	1,857
Expenses not allowable	<u>1,340</u>	<u>1,318</u>
Tax on profit	<u>192,249</u>	<u>161,121</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017	2016
	£	£
Equity dividends on A ordinary shares	180,000	135,000
Equity dividends on B ordinary shares	<u>295,000</u>	<u>245,000</u>
	<u>475,000</u>	<u>380,000</u>

Dividends proposed after the year end and not recognised as a liability:

	2017	2016
	£	£
Equity dividends on B ordinary shares	<u>-</u>	<u>35,000</u>

Baird Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2017

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1st November 2016	481,947	34,838	37,111	553,896
Additions	102,997	—	5,660	108,657
At 31st October 2017	584,944	34,838	42,771	662,553
Depreciation				
At 1st November 2016	204,200	33,475	32,780	270,455
Charge for the year	55,434	280	3,221	58,935
At 31st October 2017	259,634	33,755	36,001	329,390
Carrying amount				
At 31st October 2017	325,310	1,083	6,770	333,163
At 31st October 2016	277,747	1,363	4,331	283,441

14. Stocks

	2017 £	2016 £
Raw materials and consumables	2,490,246	1,431,339

15. Debtors

	2017 £	2016 £
Trade debtors	2,416,230	3,020,335
Amounts owed by group undertakings	251,162	—
Prepayments and accrued income	20,519	2,945
Other debtors	39,479	19,398
	2,727,390	3,042,678

16. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,633,752	2,740,847
Amounts owed to group undertakings	44,870	—
Accruals and deferred income	107,058	121,368
Corporation tax	160,411	161,121
Director loan accounts	—	87,500
Other creditors	—	87,500
	2,946,091	3,198,336

Baird Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2017

17. Provisions

	Deferred tax (note 18) £
At 1st November 2016	51,601
Additions	7,737
At 31st October 2017	<u>59,338</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017 £	2016 £
Included in provisions (note 17)	<u>59,338</u>	<u>51,601</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £2,674 (2016: £401).

20. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
A Ordinary shares of £1 each	488,258	488,258	488,258	488,258
B Ordinary shares of £1 each	150,000	150,000	150,000	150,000
	<u>638,258</u>	<u>638,258</u>	<u>638,258</u>	<u>638,258</u>

21. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve included all current and prior period retained profits and losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	13,583	—
Later than 1 year and not later than 5 years	18,292	—
	<u>31,875</u>	<u>—</u>

Baird Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2017

23. Directors' advances, credits and guarantees

During the year there were no advances, credits or guarantees to directors. At the year end the directors loan accounts included in creditors due within 1 year amounted to £Nil (2016: £87,500).

24. Related party transactions

The company was under the control of Mr N Baird throughout the current and previous year.

During the year the directors were paid dividends as follows:

Mr N Baird £6,300 (2016: £67,500)

Mr B Baird £11,225 (2016: £61,250)

Mr T Baird £11,225 (2016: £61,250)

During the year purchases of £196,675 were made from Baird Foods Services Limited, a company also under the control of the Directors. At the year end amounts owed from Baird Foods Services Limited amounted to £251,162.

Baird Foods Holdings Limited is the ultimate parent company and at the year end amounts owed to Baird Foods Holdings Limited amounted to £44,870. During the year dividends were paid to Baird Foods Holdings Limited of £417,500.

25. Ultimate parent company

On the 31st January 2017 the company's entire issued share capital was acquired by Baird Foods Holdings Limited by means of share for share exchange.

The ultimate parent company is Baird Foods Holdings Limited, a company incorporated in England and holding a beneficial interest in 100% of the issued share capital. The consolidated accounts of Baird Foods Holdings Limited are available to the public from Companies House.