

Financial Statements

Saxon Quality Foods Limited

For the Year Ended 29 February 2016

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COMPANIES HOUSE

Registered number: 07374852

Saxon Quality Foods Limited

Company Information

Directors

A Hayes
J Beach
D Figg
C Wright
R Firth

Company secretary

D Figg

Registered number

07374852

Registered office

5 Atkinsons Way
Foxhills Industrial Estate
Scunthorpe
DN15 8QJ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

Saxon Quality Foods Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 19

Directors' Report

For the Year Ended 29 February 2016

The directors present their report and the financial statements for the year ended 29 February 2016.

Principal activity

The principal activity of the Company in the period under review was the supply of frozen potato products to the retail and food service markets.

Results and dividends

The profit for the year, after taxation, amounted to £94,436 (2015 - £348,982).

Directors

The directors who served during the year were:

A Hayes
J Beach
D Figg
C Wright
R Firth

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 - Section 1A - Small Entities '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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Saxon Quality Foods Limited

Directors' Report

For the Year Ended 29 February 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 November 16 and signed on its behalf.



J Beach
Director



Independent Auditor's Report to the Shareholders of Saxon Quality Foods Limited

We have audited the financial statements of Saxon Quality Foods Limited for the year ended 29 February 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A Small Entities.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2016 and of its profit for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.



Independent Auditor's Report to the Shareholders of Saxon Quality Foods Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Andrew Wood (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Leeds

Date:

25/11/16

Statement of Comprehensive Income

For the Year Ended 29 February 2016

	2016 £	2015 £
Turnover	3,741,902	5,328,620
Cost of sales	(2,358,528)	(3,078,699)
Gross profit	1,383,374	2,249,921
Distribution costs	(213,815)	(177,298)
Administrative expenses	(1,081,742)	(1,711,911)
Other operating income	-	38,839
Operating profit	87,817	399,551
Interest payable and expenses	(7,556)	(51,220)
Profit before tax	80,261	348,331
Tax on profit	14,175	651
Profit for the year	94,436	348,982
Other comprehensive income for the year		
Total comprehensive income for the year	94,436	348,982

There were no recognised gains and losses for 2016 or 2015 other than those included in the Statement of Comprehensive Income.

The notes on pages 8 to 19 form part of these financial statements.

Statement of Financial Position

As at 29 February 2016

	Note	29 February 2016 £	28 February 2015 £
Fixed assets			
Intangible assets	6	8,851	10,501
Tangible assets	7	528,154	786,793
		<u>537,005</u>	<u>797,294</u>
Current assets			
Stocks	8	155,432	146,284
Debtors: amounts falling due within one year	9	709,148	985,657
Cash at bank and in hand	10	328	24
		<u>864,908</u>	<u>1,131,965</u>
Creditors: amounts falling due within one year	11	(652,224)	(1,067,566)
Net current assets		<u>212,684</u>	<u>64,399</u>
Total assets less current liabilities		<u>749,689</u>	<u>861,693</u>
Creditors: amounts falling due after more than one year	12	(117,335)	(323,775)
Net assets		<u><u>632,354</u></u>	<u><u>537,918</u></u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	15	632,353	537,917
		<u><u>632,354</u></u>	<u><u>537,918</u></u>

The Company's financial statements have been delivered in accordance with the provisions applicable to small companies subject to part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A Small Entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


J Beach
Director

The notes on pages 8 to 19 form part of these financial statements.

Statement of Changes in Equity

For the year ended 29 February 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 March 2015	1	537,917	537,918
Comprehensive income for the year			
Profit for the year	-	94,436	94,436
Total comprehensive income for the year	-	94,436	94,436
At 29 February 2016	1	632,353	632,354

Statement of Changes in Equity

For the year ended 28 February 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 March 2014	1	188,935	188,936
Comprehensive income for the year			
Profit for the year	-	348,982	348,982
Total comprehensive income for the year	-	348,982	348,982
At 28 February 2015	1	537,917	537,918

The notes on pages 8 to 19 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 29 February 2016

1. General information

Saxon Quality Foods Limited is a private Company, limited by shares, and is incorporated and domiciled in England and Wales, with a registration number of 07374852. The registered office is 5 Atkinsons Way, Foxhills Industrial Estate, Scunthorpe, South Humberside, DN15 8QJ.

The principal activity of the Company in the period was the supply of frozen potato products to the retail and food service markets.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 Section 1A Small Entities; the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 Section 1A Small Entities is given in note 21.

The presentational currency is £ sterling.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue trading for the foreseeable future. The directors have prepared cash flow forecasts for the group and are confident that the group has sufficient cash amid funding arrangements in place to meet its liabilities as they fall due.

Notes to the Financial Statements

For the Year Ended 29 February 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Notes to the Financial Statements

For the Year Ended 29 February 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant & machinery	-	20% on cost
Fixtures, fittings and equipment	-	20% to 33% on cost

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 29 February 2016

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements

For the Year Ended 29 February 2016

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful lives of fixed assets, the carrying value of stocks and the recoverability of debts. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

4. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,300	5,850
Other services related to taxation	-	750
	<u>4,300</u>	<u>6,600</u>

Notes to the Financial Statements

For the Year Ended 29 February 2016

5. Directors' remuneration

During the year, no director received any emoluments (2015 - £Nil).

6. Intangible assets

	Goodwill £
Cost	
At 1 March 2015	17,500
At 29 February 2016	<u>17,500</u>
Amortisation	
At 1 March 2015	6,999
Charge for the year	1,650
At 29 February 2016	<u>8,649</u>
Net book value	
At 29 February 2016	<u>8,851</u>
At 28 February 2015	<u>10,501</u>

Notes to the Financial Statements

For the Year Ended 29 February 2016

7. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
Cost			
At 1 March 2015	1,278,495	15,742	1,294,237
Additions	4,970	-	4,970
At 29 February 2016	1,283,465	15,742	1,299,207
Depreciation			
At 1 March 2015	496,247	11,197	507,444
Charge owned for the period	259,920	3,689	263,609
At 29 February 2016	756,167	14,886	771,053
Net book value			
At 29 February 2016	527,298	856	528,154
At 28 February 2015	782,248	4,545	786,793

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	29 February 2016 £	28 February 2015 £
Plant & machinery	106,590	218,286
	106,590	218,286

Notes to the Financial Statements

For the Year Ended 29 February 2016

8. Stocks

	29 February 2016 £	28 February 2015 £
Raw materials and consumables	35,672	35,012
Finished goods and goods for resale	119,760	111,272
	<u>155,432</u>	<u>146,284</u>

Stocks recognised in cost of sales during the year as an expense was £1,404,586 (2015 - £1,893,628).

9. Debtors

	29 February 2016 £	28 February 2015 £
Trade debtors	541,392	649,857
Amounts owed by group undertakings	95,298	257,185
Other debtors	39,626	52,702
Prepayments and accrued income	12,378	19,634
Deferred taxation	20,454	6,279
	<u>709,148</u>	<u>985,657</u>

10. Cash and cash equivalents

	29 February 2016 £	28 February 2015 £
Cash at bank and in hand	328	24
Less: bank overdrafts	(388)	(21,723)
	<u>(60)</u>	<u>(21,699)</u>

Notes to the Financial Statements

For the Year Ended 29 February 2016

11. Creditors: Amounts falling due within one year

	29 February 2016 £	28 February 2015 £
Bank overdrafts	388	21,723
Trade creditors	307,825	359,889
Amounts owed to group undertakings	136,500	12,997
Corporation tax	5,628	5,628
Taxation and social security	9,996	4,486
Obligations under finance lease and hire purchase contracts	71,864	71,864
Other creditors	1,213	411,680
Accruals and deferred income	118,810	179,299
	<u>652,224</u>	<u>1,067,566</u>

12. Creditors: Amounts falling due after more than one year

	29 February 2016 £	28 February 2015 £
Net obligations under finance leases and hire purchase contracts	40,164	111,118
Amounts owed to group undertakings	-	136,500
Accruals and deferred income	77,171	76,157
	<u>117,335</u>	<u>323,775</u>

Notes to the Financial Statements

For the Year Ended 29 February 2016

13. Financial instruments

	29 February 2016 £	28 February 2015 £
Financial assets		
Financial assets that are equity instruments measured at cost less impairment	676,645	959,768
	<u>676,645</u>	<u>959,768</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(613,018)	(1,472,663)
	<u>(613,018)</u>	<u>(1,472,663)</u>
Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, cash at bank and in hand.		
Financial Liabilities measured at amortised cost comprise trade creditors, bank overdrafts, amounts owed to group undertakings, obligations under finance leases and hire purchase contracts and other creditors.		

14. Deferred taxation

	Deferred tax £
At 1 March 2015	6,279
Charged to the profit or loss	14,175
At 29 February 2016	<u><u>20,454</u></u>

The deferred tax asset is made up as follows:

	29 February 2016 £	28 February 2015 £
Accelerated capital allowances	20,454	6,279
	<u>20,454</u>	<u>6,279</u>

Notes to the Financial Statements

For the Year Ended 29 February 2016

15. Reserves

Profit & loss account

Includes all current and prior period profits and losses.

16. Share capital

	29 February 2016	28 February 2015
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

17. Contingent liabilities

The Company has provided security in respect of the borrowings of its parent company, Abbeydale Food Group Limited. At 29 February 2016 this amounted to borrowings from Finance Yorkshire of £Nil (2015: £115,484).

The Company has provided security in respect of borrowings of its fellow subsidiary, Pie Toms Limited. At 29 February 2016 this amounted to borrowings from Finance Yorkshire of £Nil (2015 £27,233).

18. Commitments under operating leases

At 29 February 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	29 February 2016	28 February 2015
	£	£
Not later than 1 year	829	15,056
Later than 1 year and not later than 5 years	-	20,375
Total	829	35,431

Amounts later than 1 year and not later than 5 years is made up of Land and Buildings and other.

19. Related party transactions

As a wholly owned subsidiary of Abbeydale Food Group limited, the Company is exempt from the requirement to disclose transactions with other members of the group.

There are no other related party transactions in the year.

Notes to the Financial Statements

For the Year Ended 29 February 2016

20. Controlling party

The Company's immediate and ultimate parent undertaking is Abbeydale Food Group Limited, a company incorporated in England and Wales. Consolidated financial statements for Abbeydale Food Group Limited which is the largest and smallest group into which the results of the Company are consolidated can be obtained from the Company's registered office.

21. First time adoption of FRS 102

The policies applied under the Company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.