

Registration number: 07374852

Saxon Quality Foods Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2017

Forrester Boyd
Chartered Accountants
26 South St Mary's Gate
Grimsby
N E Lincs
DN31 1LW

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Saxon Quality Foods Limited

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Saxon Quality Foods Limited

Company Information

Directors A Hayes
 J Beach
 C Wright
 R Firth

Company secretary D Figg

Registered office 5 Atkinsons Way
 Foxhills Industrial Estate
 Scunthorpe
 South Humberside
 DN15 8QJ

Auditors Forrester Boyd
 Chartered Accountants
 26 South St Mary's Gate
 Grimsby
 N E Lincs
 DN31 1LW

Saxon Quality Foods Limited

Directors' Report for the Year Ended 28 February 2017

The directors present their report and the financial statements for the year ended 28 February 2017.

Directors of the company

The directors who held office during the year were as follows:

A Hayes

J Beach

D Figg (resigned 22 May 2017)

C Wright

R Firth

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 27 November 2017 and signed on its behalf by:



.....
J Beach
Director

Saxon Quality Foods 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 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 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;
- 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

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

We have audited the financial statements of Saxon Quality Foods Limited for the year ended 28 February 2017, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 to the financial statements, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)".

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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, based on the work undertaken in the course of the audit:

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

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 Directors' Report.

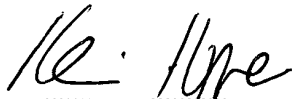
Saxon Quality Foods Limited

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate
Grimsby
N E Lincs
DN31 1LW

27 November 2017

Saxon Quality Foods Limited**Statement of Income and Retained Earnings for the Year Ended 28 February 2017**

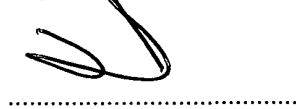
	Note	2017 £	2016 £
Turnover		4,943,703	3,741,902
Cost of sales		<u>(3,419,233)</u>	<u>(2,358,528)</u>
Gross profit		1,524,470	1,383,374
Distribution costs		(269,524)	(213,815)
Administrative expenses		<u>(1,174,197)</u>	<u>(1,081,742)</u>
Operating profit		80,749	87,817
Interest payable and similar charges		<u>(8,440)</u>	<u>(7,556)</u>
Profit before tax	5	72,309	80,261
Taxation		<u>30,546</u>	<u>14,175</u>
Profit for the financial year		102,855	94,436
Retained earnings brought forward		<u>632,353</u>	<u>537,917</u>
Retained earnings carried forward		<u><u>735,208</u></u>	<u><u>632,353</u></u>

Saxon Quality Foods Limited**(Registration number: 07374852)****Balance Sheet as at 28 February 2017**

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	6	7,101	8,851
Tangible assets	7	<u>642,131</u>	<u>528,154</u>
		<u>649,232</u>	<u>537,005</u>
Current assets			
Stocks	8	227,934	155,432
Debtors	9	940,910	709,148
Cash at bank and in hand		<u>142,148</u>	<u>328</u>
		1,310,992	864,908
Creditors: Amounts falling due within one year	10	<u>(1,119,105)</u>	<u>(652,224)</u>
Net current assets		<u>191,887</u>	<u>212,684</u>
Total assets less current liabilities		841,119	749,689
Creditors: Amounts falling due after more than one year	10	<u>(105,910)</u>	<u>(117,335)</u>
Net assets		<u>735,209</u>	<u>632,354</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>735,208</u>	<u>632,353</u>
Total equity		<u>735,209</u>	<u>632,354</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 27 November 2017 and signed on its behalf by:



J Beach
Director

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

1 General information

The company is a private company limited by share capital incorporated in United Kingdom and the company registration number is 07374852.

The address of its registered office is:

5 Atkinsons Way
Foxhills Industrial Estate
Scunthorpe
South Humberside
DN15 8QJ

These financial statements were authorised for issue by the Board on 27 November 2017.

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.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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
Plant & machinery	20% Straight line basis
Fixtures, fittings & equipment	20% to 33% Straight line basis

Goodwill

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 accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% Straight line basis

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 change in value.

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the statement of income and retained earnings.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of income and retained earnings over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the statement of income and retained earnings and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 57 (2016 - 62).

4 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>5,000</u>	<u>5,000</u>

5 Profit before tax

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	218,297	225,785
Amortisation expense	<u>1,750</u>	<u>1,750</u>

6 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 March 2016	<u>17,500</u>	<u>17,500</u>
At 28 February 2017	<u>17,500</u>	<u>17,500</u>
Amortisation		
At 1 March 2016	8,649	8,649
Amortisation charge	<u>1,750</u>	<u>1,750</u>
At 28 February 2017	<u>10,399</u>	<u>10,399</u>
Carrying amount		
At 28 February 2017	<u>7,101</u>	<u>7,101</u>
At 29 February 2016	<u>8,851</u>	<u>8,851</u>

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

7 Tangible assets

	Fixtures, fittings & equipment £	Plant & machinery £	Total £
Cost or valuation			
At 1 March 2016	15,742	1,283,465	1,299,207
Additions	-	430,748	430,748
Disposals	-	(60,650)	(60,650)
At 28 February 2017	<u>15,742</u>	<u>1,653,563</u>	<u>1,669,305</u>
Depreciation			
At 1 March 2016	14,886	756,167	771,053
Charge for the year	344	255,777	256,121
At 28 February 2017	<u>15,230</u>	<u>1,011,944</u>	<u>1,027,174</u>
Carrying amount			
At 28 February 2017	<u>512</u>	<u>641,619</u>	<u>642,131</u>
At 29 February 2016	<u>856</u>	<u>527,298</u>	<u>528,154</u>

8 Stocks

	2017 £	2016 £
Raw materials and consumables	59,356	35,672
Finished goods and goods for resale	<u>168,578</u>	<u>119,760</u>
	<u>227,934</u>	<u>155,432</u>

9 Debtors

	Note	2017 £	2016 £
Trade debtors		841,904	541,392
Amounts owed by group undertakings and undertakings in which the company has a participating interest	13	-	95,298
Other debtors		85,853	60,080
Prepayments and accrued income		<u>13,153</u>	<u>12,378</u>
Total current trade and other debtors		<u>940,910</u>	<u>709,148</u>

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

10 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and overdrafts	11	84,927	72,252
Trade creditors		516,022	307,825
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13	420,524	136,500
Taxation and social security		10,906	9,996
Other creditors		12,035	17,337
Accruals and deferred income		74,691	108,314
		<u>1,119,105</u>	<u>652,224</u>
Due after one year			
Loans and borrowings	11	104,386	40,164
Accruals and deferred income		1,524	77,171
		<u>105,910</u>	<u>117,335</u>

11 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	<u>104,386</u>	<u>40,164</u>
	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	-	388
Finance lease liabilities	<u>84,927</u>	<u>71,864</u>
	<u>84,927</u>	<u>72,252</u>

Secured creditors

Finance lease liabilities are denominated in sterling. The carrying amount at the year end is £189,313 (2016 - £112,028).

Finance lease liabilities are secured against the assets to which they relate.

12 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £207,685 (2016 - £829).

Saxon Quality Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

13 Related party transactions

The company has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other members of the group in which any subsidiary which is a party to the transaction is wholly owned by the group.

Key management compensation

	2017	2016
	£	£
Directors & key management remuneration	-	-

The directors are remunerated for their management of the Group as a whole through the parent company, Abbeydale Food Group Limited.

14 Parent and ultimate parent undertaking

The company's immediate parent is Abbeydale Food Group Limited, incorporated in the United Kingdom. The consolidated financial statements of Abbeydale Food Group Limited are the largest and smallest group into which the results of the Company are consolidated.

These financial statements are available upon request from the registered office of the Company, which is the same as the Parent Company and is listed on page 1.

15 Non adjusting events after the financial period

Shortly after the year end the trade of Pie Tom's Limited, a fellow subsidiary of Abbeydale Food Group Limited, was transferred into this company.