

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Period 2 February 2014 to 31 January 2015  
for  
Balingour Limited**

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for the Period 2 February 2014 to 31 January 2015**

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**Balingour Limited**  
**Company Information**  
**for the Period 2 February 2014 to 31 January 2015**

<b>DIRECTORS:</b>	Mr F Bird Mr M E Bird
<b>SECRETARY:</b>	Mr M E Bird
<b>REGISTERED OFFICE:</b>	Underlyne Langwathby Penrith Cumbria CA10 1NB
<b>REGISTERED NUMBER:</b>	01264817 (England and Wales)
<b>AUDITORS:</b>	Waters & Atkinson Chartered Accountants and Statutory Auditors The Old Court House Clark Street Morecambe LA4 5HR
<b>BANKERS:</b>	Barclays Bank PLC Market Square Penrith Cumbria CA11 7YB
<b>SOLICITORS:</b>	Cartmell Shepherd Bishop Yards Penrith Cumbria CA11 7XS

**Strategic Report  
for the Period 2 February 2014 to 31 January 2015**

The directors present their strategic report for the period 2 February 2014 to 31 January 2015.

**REVIEW OF BUSINESS**

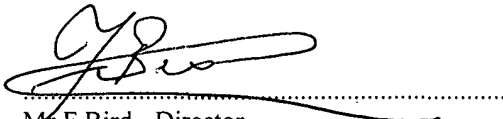
As a poultry grower we continue to grow day old chicks until they are ready to be sold to our co-subsiary company, Frank Bird (Poultry) Limited.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, those being turnover and gross margin. Turnover has decreased slightly from £12,594,837 to £11,770,378 as a result of a decrease in the average sales price per bird. The gross profit percentage has risen greatly from 6.88% to 12.59% and this has been attributed mainly to better farm management and attention to detail. Taking into account relatively consistent overheads, the net profit achieved was £1,053,007 compared to £378,377 in 2014.

**PRINCIPAL RISKS AND UNCERTAINTIES**

We are conscious that the business environment in which we operate continues to be challenging and we are particularly affected by fluctuating grain prices and calor gas prices. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

**ON BEHALF OF THE BOARD:**

  
.....  
Mr F Bird - Director

Date: ..... 27/10/15 .....

**Report of the Directors  
for the Period 2 February 2014 to 31 January 2015**

The directors present their report with the financial statements of the company for the period 2 February 2014 to 31 January 2015.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 January 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 2 February 2014 to the date of this report.

Mr F Bird  
Mr M E Bird

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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:

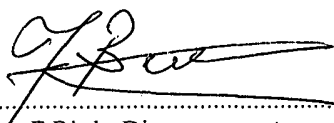
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



Mr F Bird - Director

Date: 27/10/15

## **Report of the Independent Auditors to the Members of Balingour Limited**

We have audited the financial statements of Balingour Limited for the period ended 31 January 2015 on pages five to thirteen. 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).

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

### **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 Strategic Report and the Report of the Directors 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 financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its profit 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.

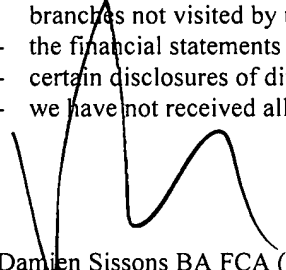
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Damien Sissons BA FCA (Senior Statutory Auditor)  
for and on behalf of Waters & Atkinson  
Chartered Accountants and Statutory Auditors  
The Old Court House  
Clark Street  
Morecambe  
LA4 5HR

Date: 27/10/15

**Balingour Limited (Registered number: 01264817)**

**Profit and Loss Account  
for the Period 2 February 2014 to 31 January 2015**

		Period 2.2.14 to 31.1.15 £	Period 3.2.13 to 1.2.14 £
	Notes		
<b>TURNOVER</b>		<b>11,770,378</b>	<b>12,594,837</b>
Cost of sales		<b>10,288,604</b>	<b>11,728,750</b>
<b>GROSS PROFIT</b>		<b>1,481,774</b>	<b>866,087</b>
Administrative expenses		<b>465,703</b>	<b>521,641</b>
		<b>1,016,071</b>	<b>344,446</b>
Other operating income		<b>36,933</b>	<b>33,928</b>
<b>OPERATING PROFIT</b>	3	<b>1,053,004</b>	<b>378,374</b>
Interest receivable and similar income	4	<b>3</b>	<b>3</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,053,007</b>	<b>378,377</b>
Tax on profit on ordinary activities	5	<b>230,205</b>	<b>107,248</b>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>822,802</b>	<b>271,129</b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous period.

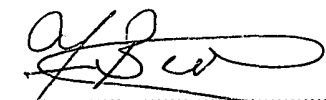
**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current period or previous period.

**Balance Sheet**  
**31 January 2015**

	Notes	31.1.15 £	£	1.2.14 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		672,637		744,841
Investments	7		860,000		-
			<u>1,532,637</u>		<u>744,841</u>
<b>CURRENT ASSETS</b>					
Stocks	8	572,084		783,664	
Debtors	9	3,158,937		2,219,195	
Cash at bank		5,368		5,395	
		<u>3,736,389</u>		<u>3,008,254</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	1,951,945		1,254,061	
<b>NET CURRENT ASSETS</b>			<u>1,784,444</u>		<u>1,754,193</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,317,081</u>		<u>2,499,034</u>
<b>PROVISIONS FOR LIABILITIES</b>	13		24,537		29,292
<b>NET ASSETS</b>			<u><u>3,292,544</u></u>		<u><u>2,469,742</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		100		100
Profit and loss account	15		3,292,444		2,469,642
<b>SHAREHOLDERS' FUNDS</b>	18		<u><u>3,292,544</u></u>		<u><u>2,469,742</u></u>

The financial statements were approved by the Board of Directors on 27/10/15 and were signed on its behalf by:



Mr F Bird - Director



**Notes to the Financial Statements  
for the Period 2 February 2014 to 31 January 2015**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No.1 on the grounds that it is a wholly owned subsidiary company and consolidated financial statements in which the subsidiary undertaking is included will be made available.

**Accounting convention**

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

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 5% on cost and 2% on cost
Plant and machinery	- 10% on cost
Motor vehicles	- 25% on cost and 20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**2. STAFF COSTS**

	<b>Period 2.2.14 to 31.1.15 £</b>	<b>Period 3.2.13 to 1.2.14 £</b>
Wages and salaries	<b>334,385</b>	378,674
Social security costs	<b>27,807</b>	31,786
Other pension costs	<b>1,247</b>	-
	<b><u>363,439</u></b>	<b><u>410,460</u></b>

**Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015**

**2. STAFF COSTS - continued**

The average monthly number of employees during the period was as follows:

	<b>Period 2.2.14 to 31.1.15</b>	<b>Period 3.2.13 to 1.2.14</b>
Farm staff	16	19
Directors (unpaid through this company)	2	2
	<u>18</u>	<u>21</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Period 2.2.14 to 31.1.15 £</b>	<b>Period 3.2.13 to 1.2.14 £</b>
Hire of plant and machinery	6,735	5,832
Other operating leases	107,900	107,900
Depreciation - owned assets	72,204	92,431
Auditors' remuneration	5,250	5,250
Auditors' remuneration for non audit work	1,500	1,500
	<u>          </u>	<u>          </u>
Directors' remuneration	<u>          -</u>	<u>          -</u>

Full analysis of auditors' remuneration for non audit work is given in the consolidated accounts for the F and N One group.

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Period 2.2.14 to 31.1.15 £</b>	<b>Period 3.2.13 to 1.2.14 £</b>
Deposit account interest	3	3
	<u>          </u>	<u>          </u>

Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015

5. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 2.2.14 to 31.1.15 £	Period 3.2.13 to 1.2.14 £
Current tax:		
UK corporation tax	234,960	102,509
Deferred tax:		
Origination and reversal of timing differences	(4,755)	4,739
Tax on profit on ordinary activities	<u>230,205</u>	<u>107,248</u>

**Factors affecting the tax charge**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 2.2.14 to 31.1.15 £	Period 3.2.13 to 1.2.14 £
Profit on ordinary activities before tax	<u>1,053,007</u>	<u>378,377</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	221,131	87,027
Effects of:		
Depreciation in excess of capital allowances	10,316	14,789
Part of profit charged at 23%	<u>3,513</u>	<u>693</u>
Current tax charge	<u>234,960</u>	<u>102,509</u>

**Factors that may affect future tax charges**

Agricultural buildings allowances have now been withdrawn and this is likely to increase future corporation tax charges.

Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 2 February 2014 and 31 January 2015	<u>2,653,588</u>	<u>1,232,230</u>	<u>165,525</u>	<u>4,051,343</u>
<b>DEPRECIATION</b>				
At 2 February 2014	2,167,618	1,007,396	131,488	3,306,502
Charge for period	<u>52,323</u>	<u>18,506</u>	<u>1,375</u>	<u>72,204</u>
At 31 January 2015	<u>2,219,941</u>	<u>1,025,902</u>	<u>132,863</u>	<u>3,378,706</u>
<b>NET BOOK VALUE</b>				
At 31 January 2015	<u>433,647</u>	<u>206,328</u>	<u>32,662</u>	<u>672,637</u>
At 1 February 2014	<u>485,970</u>	<u>224,834</u>	<u>34,037</u>	<u>744,841</u>

The leasehold property is rented from F and N Holdings Limited on renewable yearly leases. If the lease was terminated, Balingour Limited would be entitled to compensation determined by the Agricultural Holdings Act 1986, the Agriculture Act 1986 and any regulations for the calculation of compensation being in force at the time. The likelihood of termination of the lease is however remote and therefore the leasehold property is being written off over its estimated useful life rather than over the period of the lease.

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
Additions	<u>860,000</u>
At 31 January 2015	<u>860,000</u>
<b>NET BOOK VALUE</b>	
At 31 January 2015	<u>860,000</u>

On the 1 September 2014, this company acquired 860,000 redeemable preference shares in Brandmile Limited. This represents 100% of this class of share. Brandmile's total share capital and reserves at the latest year end of 31 October 2014 was £3,698,306. The pre tax profit for the year was £981,784.

8. STOCKS

	31.1.15 £	1.2.14 £
Live birds & feed	<u>572,084</u>	<u>783,664</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.15 £	1.2.14 £
Amounts due from Frank Bird (Poultry) Limited	3,121,060	2,190,533
Prepayments and accrued income	<u>37,877</u>	<u>28,662</u>
	<u>3,158,937</u>	<u>2,219,195</u>

Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.15	1.2.14
	£	£
Preference shares (see note 11)	860,000	-
Trade creditors	858,002	1,141,082
Tax	160,960	100,191
Accruals	72,983	12,788
	<u>1,951,945</u>	<u>1,254,061</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.1.15	1.2.14
	£	£
Amounts falling due within one year or on demand:		
Preference shares	<u>860,000</u>	<u>-</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.1.15	1.2.14
			£	£
860,000	Redeemable Preference	£1.00	<u>860,000</u>	<u>-</u>

860,000 Redeemable Preference shares of £1.00 each were allotted and fully paid for cash at par during the period.

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	31.1.15	1.2.14
	£	£
Expiring:		
Within one year	<u>107,900</u>	<u>107,900</u>

13. PROVISIONS FOR LIABILITIES

	31.1.15	1.2.14
	£	£
Deferred tax		
Accelerated capital allowances	<u>24,537</u>	<u>29,292</u>
		Deferred tax
		£
Balance at 2 February 2014		29,292
Credit to Profit and Loss Account during period		<u>(4,755)</u>
Balance at 31 January 2015		<u>24,537</u>

Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015

13. **PROVISIONS FOR LIABILITIES - continued**

The deferred tax provision relates to capital allowances in excess of depreciation.

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.1.15 £	1.2.14 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

During the year the company issued 860,000 Redeemable Preference Shares for cash.

These shares carry no right to vote at or attend meetings of the company, nor to receive a dividend.

The holders of the shares have the right to have share capital repaid in preference to other share holders but no right to share in any residue.

Redemption is at the behest of the shareholder.

15. **RESERVES**

	Profit and loss account £
At 2 February 2014	2,469,642
Profit for the period	<u>822,802</u>
At 31 January 2015	<u>3,292,444</u>

16. **ULTIMATE PARENT COMPANY**

This company is a wholly owned subsidiary of F and N Holdings Limited. This in turn is a wholly owned subsidiary of F and N One Limited, which is the ultimate holding company and is controlled by the director Frank Bird.

17. **RELATED PARTY DISCLOSURES**

All of Balingour Limited's produce is sold to Frank Bird (Poultry) Limited at normal market prices. Frank Bird (Poultry) Limited is also a wholly owned subsidiary of F and N Holdings Limited.

All directors of this company were also directors of Frank Bird (Poultry) Limited at the period end. Frank Bird is also a director of the immediate parent company F and N Holdings Limited and of the ultimate holding company F and N One Limited.

**Notes to the Financial Statements - continued  
for the Period 2 February 2014 to 31 January 2015**

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>31.1.15</b>	<b>1.2.14</b>
	<b>£</b>	<b>£</b>
Profit for the financial period	<b>822,802</b>	<b>271,129</b>
Net addition to shareholders' funds	<b>822,802</b>	<b>271,129</b>
Opening shareholders' funds	<b>2,469,742</b>	<b>2,198,613</b>
Closing shareholders' funds	<b>3,292,544</b>	<b>2,469,742</b>