

COMPANY REGISTRATION NUMBER: 1431247

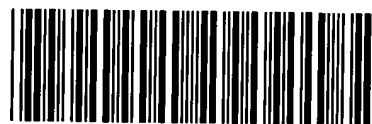
Summit Foods Limited
Financial Statements
31 August 2016

TLP CONSULTING LIMITED

Chartered accountant & statutory auditor

3 Greengate
Cardale Park
Harrogate
HG3 1GY

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Summit Foods Limited

Strategic Report

Year ended 31 August 2016

We continue with manufacturing and distribute frozen branded and own label meat and snack products to the retail, independent, wholesale, foodservice and food to go arena:

The year to August 2016 saw our turnover slightly decrease by 9% and our profit after taxation reduce by 5%.

The business will continue to focus on securing volume lines within the major retailers in both frozen convenience, travel and wholesale.

This report was approved by the board of directors on 3 May 2017 and signed on behalf of the board by:



D R Lewis
Director

Registered office:
170 Walton Summit Road
Bamber Bridge
Preston
PR5 8AH

Summit Foods Limited

Directors' Report

Year ended 31 August 2016

The directors present their report and the financial statements of the company for the year ended 31 August 2016.

Directors

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

D R Lewis
V Lewis

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The Strategic Report is shown separately from the Directors 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.

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.

Summit Foods Limited

Directors' Report *(continued)*

Year ended 31 August 2016

This report was approved by the board of directors on 3 May 2017 and signed on behalf of the board by:



D R Lewis
Director

Registered office:
170 Walton Summit Road
Bamber Bridge
Preston
PR5 8AH

Summit Foods Limited

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

Year ended 31 August 2016

We have audited the financial statements of Summit Foods Limited for the year ended 31 August 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "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 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. 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

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 31 August 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Summit Foods Limited

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

Year ended 31 August 2016

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.

Paul Land FCA (Senior Statutory Auditor)

For and on behalf of
TLP Consulting Limited
Chartered accountant & statutory auditor
3 Greengate
Cardale Park
Harrogate
HG3 1GY

3 May 2017

Summit Foods Limited
Statement of Income and Retained Earnings
Year ended 31 August 2016

	Note	2016 £	2015 £
Turnover	4	8,460,573	9,284,746
Cost of sales		<u>6,489,003</u>	<u>7,018,474</u>
Gross profit		1,971,570	2,266,272
Administrative expenses		<u>1,678,728</u>	<u>1,909,647</u>
Other operating income		<u>160,000</u>	<u>160,000</u>
Operating profit	5	452,842	516,625
Other interest receivable and similar income	8	15,454	–
Interest payable and similar charges	9	<u>2,811</u>	<u>6,352</u>
Profit on ordinary activities before taxation		465,485	510,273
Tax on profit on ordinary activities	10	<u>50,170</u>	<u>70,741</u>
Profit for the financial year and total comprehensive income		<u>415,315</u>	<u>439,532</u>
Retained earnings at the start of the year		<u>3,335,024</u>	<u>2,895,492</u>
Retained earnings at the end of the year		<u>3,750,339</u>	<u>3,335,024</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

Summit Foods Limited

Statement of Financial Position

31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	566,266	487,536
Current assets			
Stocks	12	762,649	879,213
Debtors	13	3,686,400	3,418,558
Cash at bank and in hand		762	1,549
		<u>4,449,811</u>	<u>4,299,320</u>
Creditors: amounts falling due within one year	15	<u>1,171,957</u>	<u>1,373,929</u>
Net current assets		<u>3,277,854</u>	<u>2,925,391</u>
Total assets less current liabilities		<u>3,844,120</u>	<u>3,412,927</u>
Provisions			
Taxation including deferred tax	16	<u>91,781</u>	<u>75,903</u>
Net assets		<u>3,752,339</u>	<u>3,337,024</u>
Capital and reserves			
Called up share capital	18	2,000	2,000
Profit and loss account	19	<u>3,750,339</u>	<u>3,335,024</u>
Members funds		<u>3,752,339</u>	<u>3,337,024</u>

These financial statements were approved by the board of directors and authorised for issue on 3 May 2017, and are signed on behalf of the board by:



D R Lewis
Director

Company registration number: 1431247

The notes on pages 9 to 16 form part of these financial statements.

Summit Foods Limited
Statement of Cash Flows
Year ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		415,315	439,532
<i>Adjustments for:</i>			
Depreciation of tangible assets		166,207	124,596
Other interest receivable and similar income		(15,454)	–
Interest payable and similar charges		2,811	6,352
Gains on disposal of tangible assets		(4,874)	(379)
Tax on profit on ordinary activities		50,170	70,741
Accrued (income)/expenses		(12,675)	6,564
<i>Changes in:</i>			
Stocks		116,564	76,251
Trade and other debtors		(267,842)	(24,920)
Trade and other creditors		(379,562)	(348,727)
Cash generated from operations		70,660	350,010
Interest paid		(2,811)	(6,352)
Interest received		15,454	–
Tax paid		(95,604)	(122,314)
Net cash (used in)/from operating activities		<u>(12,301)</u>	<u>221,344</u>
Cash flows from investing activities			
Purchase of tangible assets		(262,104)	(137,193)
Proceeds from sale of tangible assets		22,041	7,001
Net cash used in investing activities		<u>(240,063)</u>	<u>(130,192)</u>
Cash flows from financing activities			
Proceeds from borrowings		–	(52,860)
Net cash used in financing activities		<u>–</u>	<u>(52,860)</u>
Net (decrease)/increase in cash and cash equivalents		(252,364)	38,292
Cash and cash equivalents at beginning of year		(8,619)	(46,911)
Cash and cash equivalents at end of year	14	<u>(260,983)</u>	<u>(8,619)</u>

The notes on pages 9 to 16 form part of these financial statements.

Summit Foods Limited
Notes to the Financial Statements
Year ended 31 August 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 170 Walton Summit Road, Bamber Bridge, Preston, PR5 8AH.

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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Trusts for the benefit of employees

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

Revenue recognition

The turnover shown in the profit and loss account represents the value of goods sold in the ordinary course of business, excluding sales incentives and value added tax. Turnover is recognised when the risks and rewards of the transaction has been transferred which is considered to be at the point of sale within stores.

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant & machinery	-	20% reducing balance
Fixtures & fittings	-	20% reducing balance
Motor vehicles	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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 liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	<u>8,460,573</u>	<u>9,284,746</u>

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

4. Turnover *(continued)*

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

5. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	166,207	124,596
Gains on disposal of tangible assets	(4,874)	(379)
Impairment of trade debtors	<u>6,000</u>	<u>6,000</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>13,500</u>	<u>13,500</u>

7. Staff costs

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

	2016 No.	2015 No.
Management staff	20	18
Number of production and distribution staff	<u>92</u>	<u>107</u>
	<u>112</u>	<u>125</u>

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

	2016 £	2015 £
Wages and salaries	1,826,199	1,900,921
Social security costs	<u>103,989</u>	<u>109,134</u>
	<u>1,930,188</u>	<u>2,010,055</u>

8. Other interest receivable and similar income

	2016 £	2015 £
Interest on loans and receivables	<u>15,454</u>	<u>—</u>

9. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	<u>2,811</u>	<u>6,352</u>

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

10. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	56,733	125,384
Adjustments in respect of prior periods	(22,441)	(47,157)
Total current tax	<u>34,292</u>	<u>78,227</u>
Deferred tax:		
Origination and reversal of timing differences	15,878	(7,486)
Tax on profit on ordinary activities	<u>50,170</u>	<u>70,741</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	465,485	510,273
Profit on ordinary activities by rate of tax	93,097	102,000
Adjustment to tax charge in respect of prior periods	(28,011)	(31,259)
Effect of capital allowances and depreciation	(14,916)	–
Tax on profit on ordinary activities	<u>50,170</u>	<u>70,741</u>

11. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2015	3,139,716	95,574	49,748	3,285,038
Additions	235,559	2,545	24,000	262,104
Disposals	(45,616)	–	(24,249)	(69,865)
At 31 August 2016	<u>3,329,659</u>	<u>98,119</u>	<u>49,499</u>	<u>3,477,277</u>
Depreciation				
At 1 September 2015	2,666,096	93,172	38,234	2,797,502
Charge for the year	151,936	2,773	11,498	166,207
Disposals	(28,677)	–	(24,021)	(52,698)
At 31 August 2016	<u>2,789,355</u>	<u>95,945</u>	<u>25,711</u>	<u>2,911,011</u>
Carrying amount				
At 31 August 2016	<u>540,304</u>	<u>2,174</u>	<u>23,788</u>	<u>566,266</u>
At 31 August 2015	<u>473,620</u>	<u>2,402</u>	<u>11,514</u>	<u>487,536</u>

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

12. Stocks

	2016	2015
	£	£
Raw materials and consumables	490,524	582,862
Finished goods and goods for resale	272,125	296,351
	<u>762,649</u>	<u>879,213</u>

13. Debtors

	2016	2015
	£	£
Trade debtors	1,738,910	1,432,716
Amounts owed by group undertakings	1,863,191	1,894,351
Prepayments and accrued income	62,266	71,417
Other debtors	22,033	20,074
	<u>3,686,400</u>	<u>3,418,558</u>

The debtors above include the following amounts falling due after more than one year:

	2016	2015
	£	£
Amounts owed by group undertakings	<u>—</u>	<u>1,664,352</u>

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	762	1,549
Bank overdrafts	(261,745)	(10,168)
	<u>(260,983)</u>	<u>(8,619)</u>

15. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	261,745	10,168
Trade creditors	732,347	987,997
Accruals and deferred income	58,274	70,949
Corporation tax	37,887	99,199
Social security and other taxes	29,475	27,957
Other creditors	52,229	177,659
	<u>1,171,957</u>	<u>1,373,929</u>

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

16. Provisions

	Deferred tax (note 17) £
At 1 September 2015	75,903
Additions	21,448
Charge against provision	<u>(5,570)</u>
At 31 August 2016	<u>91,781</u>

17. Deferred tax

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

	2016 £	2015 £
Included in provisions (note 16)	<u>91,781</u>	<u>75,903</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>91,781</u>	<u>75,903</u>

18. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

20. Operating leases

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

	2016 £	2015 £
Later than 1 year and not later than 5 years	222,825	330,675
Later than 5 years	<u>600,000</u>	<u>675,000</u>
	<u>822,825</u>	<u>1,005,675</u>

Summit Foods Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

21. Related party transactions

The company is a wholly owned subsidiary of Summit Foods Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with members or investees of Summit Food Holdings Limited.

There was rent paid in the year to the directors' pension schemes of £105,000 (2015 - £105,000) for the property at 170 Walton Summit Road.

During the year, rent of £49,725 (2015 - £35,000) was paid to Lewis Storage LLP and £nil (2015 - £104,478) paid to Lewis SSAS, entities related by way of common control.

22. Controlling party

The directors regard Summit Food Holdings Limited, a company registered in England and Wales, as the ultimate parent company and controlling party. Copies of the parent's consolidated financial statements may be obtained from the secretary, Summit Foods Holdings Limited, 170 Walton Summit Road, Bamber Bridge, Preston, Lancashire, PR5 8AH.

23. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2014.

No transitional adjustments were required in equity or profit or loss for the year.