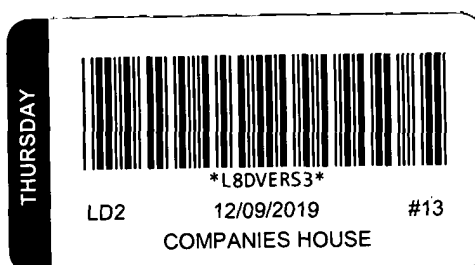


Registration number: 02017961

# Bakkavor Limited

Annual Report and Financial Statements

for the Period from 31 December 2017 to 29 December 2018



## **Bakkavor Limited**

### **Contents**

Company Information	1
Director's Report	2
Director's Responsibilities Statement	3
Strategic Report	4 to 5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Statement of Changes in Equity	10
Balance Sheet	11
Notes to the Financial Statements	12 to 22

## **Bakkavor Limited**

### **Company Information**

**Director** A Gudmundsson

**Company secretary** A Tagoe-Bannerman

**Registered office** Fitzroy Place  
5th Floor  
8 Mortimer Street  
London  
England  
W1T 3JJ

**Bankers** Barclays Bank PLC  
Multinational Corporates  
One Churchill Place  
London  
E14 5HP

**Auditor** Deloitte LLP  
Statutory Auditor  
1 Woodborough Road  
Nottingham  
United Kingdom  
NG1 3FG

## **Bakkavor Limited**

### **Director's Report for the Period from 31 December 2017 to 29 December 2018**

The Director presents his report and the audited financial statements for the 52 week period from 31 December 2017 to 29 December 2018 ('2018'). Comparatives are for the 52 week period from 1 January 2017 to 30 December 2017 ('2017').

#### **Principal activity**

The principal activity of Bakkavor Limited (the 'Company') is that of a holding company that operates within the Bakkavor Group plc group (the 'Group') and is a 100% owned subsidiary of Bakkavor Invest Limited. A fair review of the business, future developments, dividends and its financial risk management is shown in the Strategic report.

#### **Going concern**

The Director, in his detailed consideration of going concern, has reviewed the Company's future cash forecasts and revenue projections up to September 2020, which he believes are based on prudent market data and past experience. The Director has considered the Company's cash reserves and its access to the Group's financing arrangements. At the date of this report the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants, and forecasts to continue to do so.

Consequently, the Director considers that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason, he continues to adopt the going concern basis in preparing the financial statements.

#### **Director of the Company**

The Director, who held office during the period, and up to the date of signing this report was as follows:

A Gudmundsson

#### **Non adjusting events after the financial period**

On 12 June 2019 the Company purchased Blueberry Foods from Samworth Brothers Limited.

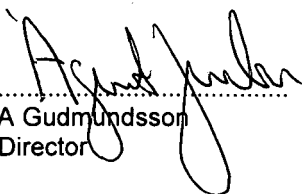
#### **Director's indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of the Director which remain in force at the date of this report.

#### **Disclosure of information to the auditor**

The Director has taken 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 auditor is aware of that information. The Director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 9/9/19 and signed on its behalf by:

  
A Gudmundsson  
Director

## **Bakkavor Limited**

### **Director's Responsibilities Statement**

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and 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 Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## **Bakkavor Limited**

### **Strategic Report for the Period from 31 December 2017 to 29 December 2018**

The Director presents his strategic report for the period from 31 December 2017 to 29 December 2018.

#### **Fair review of the business and future developments**

As shown in the Company's Profit and loss account, the profit for the period, after taxation, amounted to £3,762,000 (2017: £4,149,000). The Director does not recommend the payment of a final dividend (2017: £nil).

The Balance sheet shows shareholders' funds amounting to £305,880,000 (2017: £302,118,000).

The Director is satisfied with the results and achievements the Company and he does not expect any significant change to the nature of the Company's activities in future years.

#### **Principal risks and uncertainties**

The Company continually reviews its internal control and risk management processes and is fully aligned with the policies and objectives set by the Board of Directors of Bakkavor Group. For this reason the Company's exposure to risks and uncertainties in strategic, operational and financial areas is limited. These risks are set out below:

#### **Operational risk management**

##### *Brexit disruption*

There continues to be a very high level of uncertainty surrounding the outcome of Brexit negotiations and we have continued to review any potential impacts on our UK business. Our senior management are regularly reviewing and where necessary updating our operational plans to minimise possible risks and limit the impact of any cost increases that may arise from tariffs and duties following the UK's exit from the European Union. In addition, we continue to focus on the implementation of an enhanced employee retention programme, as well as working actively with suppliers and logistics providers to limit any disruption to our supply chain.

#### **Financial risk management**

##### *Credit risk*

Credit risk refers to the risk of financial loss to the Company, if a counterparty defaults on its contractual obligations of the loans and receivables at amortised cost held in the Balance sheet. The Company's credit risk is attributable to amounts receivable from other group companies and is considered fully recoverable.

## Bakkavor Limited

### Strategic Report for the Period from 31 December 2017 to 29 December 2018 (continued)

#### Financial risk management (continued)

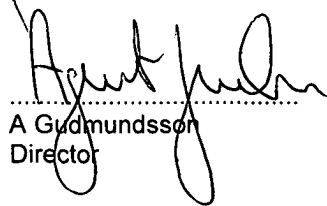
##### Investment risk

The performance of the operating subsidiaries within the Company's investments is subject to distinct operational and market risks which may impact the investment value.

##### Liquidity risk

Liquidity risk refers to the risk that the Company may not be able to fund the day to day running of the business. The Company manages liquidity risk by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Approved by the Board on 9/9/19 and signed on its behalf by:



A Gudmundsson  
Director

## **Bakkavor Limited**

### **Independent Auditor's Report to the Members of Bakkavor Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Bakkavor Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 29 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.



## **Bakkavor Limited**

### **Independent Auditor's Report to the Members of Bakkavor Limited (continued)**

#### **Other information**

The Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of the director**

As explained more fully in the Director's responsibilities statement, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Bakkavor Limited**

### **Independent Auditor's Report to the Members of Bakkavor Limited (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the director's report.

#### **Matters on which we are required to report by exception**

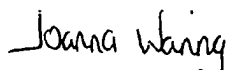
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

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.



.....  
Joanna Waring FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP,  
Statutory Auditor  
Nottingham  
NG1 3FG  
United Kingdom

Date: 10 September 2019

## **Bakkavor Limited**

### **Profit and Loss Account for the Period from 31 December 2017 to 29 December 2018**

	Note	2018 £ 000	2017 £ 000
Administrative expenses		<u>(266)</u>	<u>-</u>
Operating loss		(266)	-
Other interest receivable and similar income	5	5,311	5,259
Interest payable and similar charges	6	(17)	(51)
Net foreign exchange (loss)/gain		<u>(116)</u>	<u>1</u>
Profit before tax		4,912	5,209
Tax on profit	7	<u>(1,150)</u>	<u>(1,060)</u>
Profit for the period		<u><u>3,762</u></u>	<u><u>4,149</u></u>

The above results were derived from continuing operations.

The Company has no comprehensive income other than the result above and therefore no separate statement of comprehensive income is presented.

The notes on pages 12 to 22 form an integral part of these financial statements.

# **Bakkavor Limited**

## **Statement of Changes in Equity for the Period from 31 December 2017 to 29 December 2018**

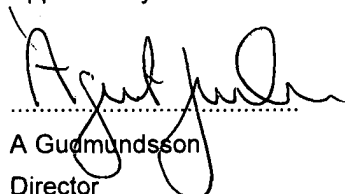
	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Merger reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2017	3,763	196,786	14,533	82,887	297,969
Profit for the period	-	-	-	4,149	4,149
At 30 December 2017	<u>3,763</u>	<u>196,786</u>	<u>14,533</u>	<u>87,036</u>	<u>302,118</u>

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Merger reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 31 December 2017	3,763	196,786	14,533	87,036	302,118
Profit for the period	-	-	-	3,762	3,762
At 29 December 2018	<u>3,763</u>	<u>196,786</u>	<u>14,533</u>	<u>90,798</u>	<u>305,880</u>

**Bakkavor Limited****(Registration number: 02017961)****Balance Sheet as at 29 December 2018**

		29 December 2018 £ 000	30 December 2017 £ 000
	Note		
<b>Fixed assets</b>			
Investments in subsidiaries	8	245,711	207,545
<b>Current assets</b>			
Debtors	9	122,460	105,542
Cash at bank and in hand		86	91
		<u>122,546</u>	<u>105,633</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(62,377)</u>	<u>(11,060)</u>
<b>Net current assets</b>		<u>60,169</u>	<u>94,573</u>
<b>Total assets less current liabilities</b>		<u>305,880</u>	<u>302,118</u>
<b>Net assets</b>		<u>305,880</u>	<u>302,118</u>
<b>Capital and reserves</b>			
Called up share capital	11	3,763	3,763
Share premium	11	196,786	196,786
Merger reserves	11	14,533	14,533
Profit and loss account	11	<u>90,798</u>	<u>87,036</u>
<b>Shareholders' funds</b>		<u>305,880</u>	<u>302,118</u>

Approved by the Director and authorised for issue on 9/9/19.

  
A Gudmundsson  
Director

The notes on pages 12 to 22 form an integral part of these financial statements.

## **Bakkavor Limited**

### **Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018**

#### **1 General information**

The Company is a private company limited by share capital incorporated and registered in England and Wales. The Company's registered office address is set out on page 1.

The principal activity of the Company is that of a holding company that operates within the Bakkavor Group plc group (the 'Group') and is a 100% owned subsidiary of Bakkavor Invest Limited.

#### **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.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS101'). As permitted under section 390 (3) of the Companies Act 2006, the Company has taken the option to end its financial period on the Saturday nearest to 31 December, as this is not more than 7 days after or before the end of the period dated 31 December.

The financial statements have been prepared on the historical cost basis and are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position are expressed in Pounds Sterling, which is the functional currency of the Company.

##### **Summary of disclosure exemptions**

As permitted by Financial Reporting Standard 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of Bakkavor Group plc. The group accounts of Bakkavor Group plc are available to the public and can be obtained as set out in the controlling party note.

##### **Going concern**

The Director has reviewed the historical trading performance of the Company and the forecasts through to September 2020, to assess the level of finance required by the Company. The going concern basis has been adopted in preparing these financial statements, refer to the Director's Report for the Director's consideration of going concern.

##### **Exemption from preparing group accounts**

The financial statements contain information about Bakkavor Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Bakkavor Group plc, a company incorporated in the United Kingdom.

## **Bakkavor Limited**

### **Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Changes in accounting policy**

###### **New standards, interpretations and amendments effective**

In the current period, the Company has adopted the following Standards and Interpretations with no material impact on the financial statements of the Company.

###### **Amendments:**

IFRS 2 Classification and Measurement of Share-based Payment Transactions

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Various Annual Improvements to IFRS Standards 2014-2016 cycle

Various IFRS 10, IFRS 12 and IAS 28: 'Investment Entities, Applying the Consolidation Exception'

##### **Finance income and costs policy**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that an amount 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.

##### **Payments for intragroup transfer of tax losses**

Where the Company transfers tax losses to another member of the group, the entity obtains an amount of compensation from the respective group member ('group relief payments'). Such payments are treated as if they were income taxes to the extent that the intragroup payment is for an amount of that would otherwise have been paid by the paying company.

##### **Investments**

Investments in subsidiaries are included at cost less provision for impairment where necessary. An impairment loss is recognised in the Profit and Loss account when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows. If in a subsequent period, the amount of impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit and loss account. This is disclosed further in note 8.

##### **Subsidiaries**

A subsidiary is an entity over which the Company has control. Control exists when the Company has the power directly, or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

## **Bakkavor Limited**

### **Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **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 changes in value.

##### **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.

##### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the amount of the obligation cannot be measured reliably. A contingent liability is not recognised but it is disclosed in the notes to the financial statements. When an outflow becomes probable, it is recognised as a provision.

##### **Financial assets and liabilities**

###### ***Classification***

Financial assets held by the Company are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Financial liabilities held by the Company are classified as other financial liabilities. The classification is according to the substance of the contractual arrangements entered into.

###### ***Recognition and measurement***

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value.

Financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

###### ***Impairment***

Financial assets are assessed for indicators of impairment at each Balance sheet date and are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.



## **Bakkavor Limited**

### **Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

##### **Key sources of estimation uncertainty**

The following were areas of particular significance to the financial statements and include the application of judgement, which is fundamental to the compilation of a set of financial statements.

There are not considered to be any critical judgements.

##### **Investments in subsidiaries**

The Company evaluated whether there are any potential impairment or impairment reversal indicators present at 29 December 2018 and concluded that is not the case.

The recoverable amounts of the investments are determined based on the higher of net realisable value and value in use calculations, which require the use of estimates. The key estimates that can impact the value in use calculations are changes to the growth rates applied to derive a five-year forecast, or a movement in the discount rate applied to the future cash flows. These are key estimates as they are subjective in nature and a significant assumption is required and any changes to assumptions may lead to impairment charges being recognised.

At 29 December 2018, investment in subsidiaries have a carrying value of £245,711,000 (2018: £207,545,000).

There are no areas in which the application of critical accounting judgements has been considered necessary in the compilation of these financial statements.

#### **4 Directors, Employees and auditor remuneration**

The Director has received no emoluments for their services to the Company in either financial period presented and was paid through Bakkavor Foods Limited. The Director is considered to be the key management personnel of the Company.

The Company had no employees for the period ended 29 December 2018 (2017: nil).

Fees of £5,000 (2017: £5,000) payable to the Company's auditor in respect of the statutory audit of the Company's financial statements for the period ended 29 December 2018 have been borne by Bakkavor Foods Limited.

No non-audit fees were charged to the Company for the period ended 29 December 2018 (2017: £nil).

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 5 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
<b>Finance income</b>		
Interest income on bank deposits	-	3
Interest receivable from group companies	5,311	5,256
	<u>5,311</u>	<u>5,259</u>

#### 6 Interest payable and similar charges

	2018 £ 000	2017 £ 000
Interest on borrowings	<u>17</u>	<u>51</u>

#### 7 Taxation

Tax charged in the profit and loss account

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
Group loss relief - Current year	984	1,003
Corporation tax - Current year	150	-
Corporation tax - Prior year	16	57
	<u>1,150</u>	<u>1,060</u>

Corporation tax is calculated at 19% (2017: 19.25%) of the estimated result for the period. The tax for the period is reconciled to the profit and loss account as follows:

	2018 £ 000	2017 £ 000
Profit before tax	<u>4,912</u>	<u>5,209</u>
Corporation tax at standard rate	933	1,003
Current tax prior year adjustment	16	57
Effect of expenses not deductible in determining taxable profit	51	-
Foreign profits taxed at different rate	<u>150</u>	<u>-</u>
Total tax charge	<u>1,150</u>	<u>1,060</u>

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. In accordance with the Finance Act 2016, the UK corporation tax rate will reduce to 17% in 2020.

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 7 Taxation (continued)

##### Group relief payments

Where the Company receives tax losses from another member of Bakkavor group, the Company pays an amount of compensation to the respective group member ('group relief payments'). Such payments are treated as if they were income taxes to the extent that the payment is for an amount of tax that would otherwise be paid by the Company.

#### 8 Investments in subsidiaries

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 31 December 2017	310,073
Additions	<u>38,166</u>
At 29 December 2018	<u>348,239</u>
<b>Provision</b>	
At 31 December 2017	<u>102,528</u>
At 29 December 2018	<u>102,528</u>
<b>Carrying amount</b>	
At 29 December 2018	<u>245,711</u>
At 30 December 2017	<u>207,545</u>

During the period, debts with Bakkavor European Marketing BV were capitalised by way of a share premium contribution. The total additions in the period for these contributions were £37,660,000 (2017: £nil).

On 6 September 2018, the Company completed the acquisition of 100% of the issued share capital of Haydens Bakery Limited from Real Good Food plc for a total consideration of £11,407,000. The consideration comprised £506,000 in cash and assumed borrowings of £8,475,000 that were repaid immediately and £2,426,000 of existing finance leases. £506,000 has been recognised as an investment in subsidiary by the Company.

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 8 Investments in subsidiaries (continued)

Details of the subsidiaries as at 29 December 2018 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Bakkavor Foods Limited*	Preparation and marketing of fresh prepared foods	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
BV Foodservice Limited*	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Bakkavor Overseas Holdings Limited*	Non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Geest Corporation Inc.*	Dormant holding company	251 Little Falls Drive, Wilmington, Delaware, 19808. USA	100%	100%
Bakkavor Pension Trustees Limited *	Pension Trustee holding company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Bakkavor European Marketing BV*	Holding company	Prins Bernhardplein 200, 1097 JB Amsterdam. Netherlands	100%	100%
Bakkavor Dormant Holdings Limited	Holding company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
English Village Salads Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Bakkavor Fresh Cook Limited	Preparation and marketing of fresh prepared foods	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 8 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Registered office		Proportion of ownership interest and voting rights held	
				2018	2017
NV Bakkavor Belgium BV	Non-trading	Lammerdries-Zuid 2250 Olen. Belgium	16F,	100%	100%
Bakkavor Brothers Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%
Hitchen Foods Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%
Laurens Patisseries Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%
Kent Salads Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%
Notsallow 256 Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%
Bakkavor Central Finance Limited	Customer invoicing and financing of receivables	West Marsh Road, Spalding, Lincolnshire, England, PE11 2BB. United Kingdom		100%	100%
Bakkavor Iberica S.L.U	Distribution	Calle Cartagena 57, 1º D Torre Pacheco, Murcia CP 30700. Spain		100%	100%
Exotic Farm Prepared Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom		100%	100%

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 8 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Butterdean Products Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Cucina Sano Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Exotic Farm Produce Limited	Dormant non-trading company	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Bakkavor Australia Pty Limited	Holding company	Henry Davis York, 44 Martin Place, Sydney, NSW 2000. Australia	100%	100%
BV Restaurant Group Limited	Production and distribution of fresh prepared foods	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	100%
Bakkavor Estates Limited	Property management	West Marsh Road, Spalding, Lincolnshire, England, PE11 2BB. United Kingdom	0%	100%
Haydens Bakery Limited*	Production and manufacture of dessert products	Fitzroy Place, 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ. United Kingdom	100%	0%

\* indicates direct investment of Bakkavor Limited

## Bakkavor Limited

### Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

#### 9 Debtors

	2018 £ 000	2017 £ 000
Amounts due from related parties	113,959	99,283
Other debtors	51	59
Corporation tax debtor	8,450	6,200
Total current trade and other debtors	<u>122,460</u>	<u>105,542</u>

Amounts due from related parties are unsecured, have interest charged at 5.35% per annum and are repayable on demand.

#### 10 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Amounts due to related parties	60,285	8,907
Social security and other taxes	2,088	2,144
Accruals	4	9
	<u>62,377</u>	<u>11,060</u>

Amounts due to related parties are unsecured, are non-interest bearing and are repayable on demand.

#### 11 Share capital and reserves

##### Allotted, called up and fully paid shares

	29 December 2018		30 December 2017	
	No.	£	No.	£
Ordinary Shares of £0.05 each	75,265,641	3,763,282	75,265,641	3,763,282

##### Share premium

The share premium account represents amounts received by the Company over and above the nominal value of the shares issued.

##### Merger reserve

The merger reserve is a non-distributable reserve created by the exercise of s612 merger relief for the amount in excess of the nominal value of the ordinary shares acquired by the Company in the periods prior to 2 January 1988.

##### Profit and loss account

The profit and loss account represents the accumulated distributable reserves of the Company.

## **Bakkavor Limited**

### **Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)**

#### **12 Contingent liabilities**

As at the 29 December 2018, there were no legal claims or potential claims against the Company (2017: £nil) and therefore no provision is considered necessary in the financial statements. The Company, along with certain other group companies, is a guarantor of the Group's debt facilities. The total amount of Group debt facilities that this relates to is £447.5 million (2017: £447.5 million).

#### **13 Non adjusting events after the financial period**

On 12 June 2019 the Company purchased Blueberry Foods from Samworth Brothers Limited.

#### **14 Parent and ultimate parent undertaking**

The company's immediate parent is Bakkavor Invest Limited.

The ultimate parent and ultimate controlling party is Bakkavor Group plc, a company registered in the United Kingdom.

The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Bakkavor Group plc. These financial statements are available upon request from Fitzroy Place, 5th Floor, 8 Mortimer Street, London, W1T 3JJ, United Kingdom.