

Bawnbua Foods GB Ltd
Financial Statements
31st January 2019



BMK ACCOUNTING LIMITED
Chartered Accountants & Statutory Auditor
43 Lockview Road
Stranmillis
Belfast
BT9 5FJ

Bawnbua Foods GB Ltd
Financial Statements
Year ended 31st January 2019

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Bawnbua Foods GB Ltd
Officers and Professional Advisers

The board of directors

D White
G White
M White
MP White

Registered office

Ormside Close
Hindley Industrial Estate
Hindley
Wigan
WN2 4HR

Auditor

BMK Accounting Limited
Chartered Accountants & Statutory Auditor
43 Lockview Road
Stranmillis
Belfast
BT9 5FJ

Bawnbua Foods GB Ltd

Strategic Report

Year ended 31st January 2019

REVIEW OF THE BUSINESS

The principal activity of the company is the processing and packaging of raw and sous-vide style cooked meat products for the retail and catering trade in the UK. In May 2018 the IQF mince operation, added-value butchery processing, thermo-forming and associated support operations were transferred to Bawnbua Foods NI Ltd. In May 2019 the sous-vide cooking operations were transferred to Bawnbua Foods NI Ltd. Further information is as set out in Note 1 of the financial statements.

The results for the year as set out in page 10 of the financial statements were in line with the expectations of the directors. The company reported an operating loss in the period of £505,975 (2018 - £995,832) with a turnover of £21,419,478 (2018 - £23,967,647). At the end of the year the company had net assets of £2,087,988 (2018 - £2,895,162).

Bank borrowings are secured and details of this security is disclosed in Note 17 to the financial statements.

The financial statements and balance sheet are expressed in £ sterling.

PRINCIPAL RISKS AND UNCERTAINTIES

Performance in this sector is affected by general economic conditions and the level of competition in the market. The relationships that the company has with its suppliers and customers are such that the company is able to adjust to changing market conditions as they occur.

The principal non-financial indicator used by the directors to monitor the performance of the company is the level of customer satisfaction, which is monitored on a customer by customer basis.

During the year the group made a profit after tax of £283,391 (2018 – loss after tax £997,797). The company is reliant on the continued support of its bank, the directors are in active dialogue with the company's bank in relation to the renewal of the company's financing facilities and future financing needs. Based on these discussions and indications received from the bank the directors are confident that the facilities will be renewed in the near future. The directors do not consider the above to create a material uncertainty as they have no reason to believe bank facilities will not be renewed. They have also considered the future trading of the company and are confident the group can continue as a going concern for the foreseeable future.

FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The company's policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure that all obligations can be met when they fall due. To achieve this the company continually monitors its cash position.

The company has no significant concentrations of credit risk. Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being awarded and are continually being monitored.

Additionally within Bawnbua Foods GB Ltd, the company has in place financial reporting procedures to manage credit, liquidity and other financial risk. The board sets Key Performance Indicators (KPIs) at various levels throughout the company to monitor all the critical aspects of the company's performance. Additionally, to this end the company mitigates risk by employing qualified and experienced personnel.

The principal non-financial performance used by the directors to monitor the performance of the company is the level of customer satisfaction, which is monitored on a customer by customer basis.

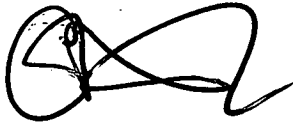
Bawnbua Foods GB Ltd

Strategic Report *(continued)*

Year ended 31st January 2019

This report was approved by the board of directors on **23rd October 2019** and signed on behalf of the board by:

G White
Director

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a series of loops and a final flourish.

Registered office:
Ormside Close
Hindley Industrial Estate
Hindley
Wigan
WN2 4HR

Bawnbua Foods GB Ltd

Directors' Report

Year ended 31st January 2019

The directors present their report and the financial statements of the company for the year ended 31st January 2019.

Directors

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

D White
G White
M White
MP White

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

Future developments in the business of the company are discussed in the strategic report.

Donations

There were no political donations made during the year.

Fixed assets

Details of movements in fixed assets are as disclosed in Note 12 of the financial statements.

Employee involvement

The company policy in regard to employee involvement and employment of disabled persons is contained in its parent company financial statements, Bawnbua Foods Ltd, which are publicly available.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 24 to the financial statements.

Disclosure of information in the strategic report

The strategic report has replaced a number of disclosures that had previously been included in the directors' report. This includes information that would have been included in the business review and the principal risks and uncertainties.

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.

Bawnbua Foods GB Ltd

Directors' Report *(continued)*

Year ended 31st January 2019

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.

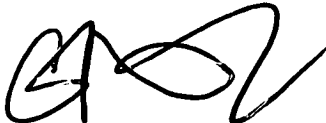
Auditor

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.

This report was approved by the board of directors on **23rd October 2019** and signed on behalf of the board by:

G White
Director



Registered office:
Ormside Close
Hindley Industrial Estate
Hindley
Wigan
WN2 4HR

Bawnbua Foods GB Ltd

Independent Auditor's Report to the Members of Bawnbua Foods GB Ltd

Year ended 31st January 2019

Opinion

We have audited the financial statements of Bawnbua Foods GB Ltd (the 'company') for the year ended 31st January 2019 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st January 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

Bawnbua Foods GB Ltd

Independent Auditor's Report to the Members of Bawnbua Foods GB Ltd

(continued)

Year ended 31st January 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 this regard.

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Bawnbua Foods GB Ltd

Independent Auditor's Report to the Members of Bawnbua Foods GB Ltd (continued)

Year ended 31st January 2019

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Bawnbua Foods GB Ltd

Independent Auditor's Report to the Members of Bawnbua Foods GB Ltd

(continued)

Year ended 31st January 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Brian McKee (Senior Statutory Auditor)

**For and on behalf of
BMK Accounting Limited
Chartered Accountants & Statutory Auditor
43 Lockview Road
Stranmillis
Belfast
BT9 5FJ**

24th October 2019

Bawnbua Foods GB Ltd
Statement of Income and Retained Earnings
Year ended 31st January 2019

	Note	2019 £	2018 £
Turnover	4	21,419,478	23,967,647
Cost of sales		<u>(20,500,477)</u>	<u>(23,322,976)</u>
Gross profit		919,001	644,671
Administrative expenses		<u>(1,424,976)</u>	<u>(1,640,503)</u>
Operating loss	5	(505,975)	(995,832)
Interest payable and similar expenses	9	<u>(137,811)</u>	<u>(159,333)</u>
Loss before taxation		(643,786)	(1,155,165)
Tax on loss	10	<u>136,612</u>	<u>176,508</u>
Loss for the financial year and total comprehensive income		(507,174)	<u>(978,657)</u>
Dividends paid and payable	11	(300,000)	—
Retained earnings at the start of the year		2,795,162	3,773,819
Retained earnings at the end of the year		<u>1,987,988</u>	<u>2,795,162</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

Bawnbua Foods GB Ltd
Statement of Financial Position
31st January 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,541,443	2,328,740
Current assets			
Stocks	13	1,288,636	2,048,691
Debtors	14	2,566,079	6,488,280
Cash at bank and in hand		1,877,819	1,044,914
		<u>5,732,534</u>	<u>9,581,885</u>
Creditors: amounts falling due within one year	15	<u>5,099,478</u>	<u>8,862,099</u>
Net current assets		<u>633,056</u>	<u>719,786</u>
Total assets less current liabilities		<u>2,174,499</u>	<u>3,048,526</u>
Creditors: amounts falling due after more than one year			
Other creditors including taxation and social security	16	3,889	10,556
Provisions for liabilities			
Taxation including deferred tax	19	82,622	142,808
Net assets		<u>2,087,988</u>	<u>2,895,162</u>
Capital and reserves			
Called up share capital	22	100,000	100,000
Profit and loss account	23	1,987,988	2,795,162
Shareholders funds		<u>2,087,988</u>	<u>2,895,162</u>

These financial statements were approved by the board of directors and authorised for issue on **23rd October 2019**, and are signed on behalf of the board by:

G White
Director



Company registration number: 02098321

The notes on pages 12 to 21 form part of these financial statements.

Bawnbua Foods GB Ltd
Notes to the Financial Statements
Year ended 31st January 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ormside Close, Hindley Industrial Estate, Hindley, Wigan, WN2 4HR.

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' and the Companies Act 2006.

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.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

Disclosure exemptions

The directors have taken advantage of the exemption in FRS 102 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent, Bawnbua Foods Ltd, publishes a consolidated cash flow statement.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

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.

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

3. Accounting policies *(continued)*

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:

Land & Buildings	- 4% straight line
Plant & Machinery	- 10% straight line
Fixtures & Fittings	- 10% straight line
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.

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. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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.

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

3. Accounting policies *(continued)*

Provisions *(continued)*

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Sale of goods	<u>21,419,478</u>	<u>23,967,647</u>

Segment and market information has been omitted. The directors believe that to disclose such information would be seriously prejudicial to the interests of the company.

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/crediting:

	2019 £	2018 £
Depreciation of tangible assets	159,537	291,367
Impairment of tangible assets recognised in:		
Administrative expenses	23,334	—
Gains on disposal of tangible assets	—	(5,119)
Impairment of trade debtors	51,672	—
Foreign exchange differences	<u>6,017</u>	<u>1,720</u>

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>11,000</u>	<u>20,774</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>4,000</u>	<u>-</u>

7. Staff costs

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

	2019 No.	2018 No.
Production staff	<u>55</u>	<u>111</u>

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

	2019 £	2018 £
Wages and salaries	1,686,762	2,341,821
Other pension costs	<u>20,754</u>	<u>-</u>
	<u>1,707,516</u>	<u>2,341,821</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	<u>13,020</u>	<u>35,610</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	22,083	55,755
Interest on obligations under finance leases and hire purchase contracts	1,615	8,946
Other interest payable and similar charges	<u>114,113</u>	<u>94,632</u>
	<u>137,811</u>	<u>159,333</u>

10. Tax on loss

Major components of tax income

	2019 £	2018 £
Current tax:		
Adjustments in respect of prior periods	(76,426)	(173,618)

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

10. Tax on loss *(continued)*

	2019 £	2018 £
Deferred tax:		
Origination and reversal of timing differences	(60,186)	(2,890)
Tax on loss	<u>(136,612)</u>	<u>(176,508)</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Loss on ordinary activities before taxation	(643,786)	(1,155,165)
Loss on ordinary activities by rate of tax	(122,319)	(219,481)
Adjustment to tax charge in respect of prior periods	(76,426)	(173,618)
Effect of expenses not deductible for tax purposes	4,433	17,589
Effect of capital allowances and depreciation	108,078	26,371
Unused tax losses	9,808	175,521
Deferred tax	(60,186)	(2,890)
Tax on loss	<u>(136,612)</u>	<u>(176,508)</u>

11. Dividends

	2019 £	2018 £
Dividends paid during the year	<u>300,000</u>	<u>—</u>

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

12. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1st February 2018	2,493,288	4,057,183	229,961	99,899	6,880,331
Additions	–	3,456	2,340	–	5,796
Disposals	–	(1,504,344)	–	–	(1,504,344)
At 31st January 2019	2,493,288	2,556,295	232,301	99,899	5,381,783
Depreciation					
At 1st February 2018	995,223	3,298,590	167,996	89,782	4,551,591
Charge for the year	99,731	45,932	10,839	3,035	159,537
Disposals	–	(894,122)	–	–	(894,122)
Impairment losses	23,334	–	–	–	23,334
At 31st January 2019	1,118,288	2,450,400	178,835	92,817	3,840,340
Carrying amount					
At 31st January 2019	1,375,000	105,895	53,466	7,082	1,541,443
At 31st January 2018	1,498,065	758,593	61,965	10,117	2,328,740

Impairment review

The directors have reviewed the value of the land and buildings and believe that, in this financial year, an impairment write-down of £23,334 is necessary as outlined in the accounting policies of Note 3 to the accounts.

13. Stocks

	2019 £	2018 £
Raw materials and consumables	380,608	1,689,739
Finished goods and goods for resale	908,028	358,952
	1,288,636	2,048,691

14. Debtors

	2019 £	2018 £
Trade debtors	2,328,920	5,728,713
Amounts owed by group undertakings	–	166,329
Prepayments and accrued income	100	30,561
Corporation tax repayable	76,426	–
Other debtors	160,633	562,677
	2,566,079	6,488,280

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

14. Debtors *(continued)*

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

	2019 £	2018 £
Amounts owed by group undertakings	–	161,129

There are factoring arrangements in place over the debtor book of the company.

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	1,523,628	3,266,265
Trade creditors	455,367	3,890,111
Amounts owed to group undertakings	2,967,343	1,377,264
Accruals and deferred income	122,638	211,117
Social security and other taxes	20,907	41,026
Obligations under finance leases and hire purchase contracts	6,667	40,724
Director loan accounts	28	18
Other creditors	2,900	35,574
	<u>5,099,478</u>	<u>8,862,099</u>

16. Other creditors including taxation and social security falling due after more than one year

	2019 £	2018 £
Obligations under finance leases	<u>3,889</u>	<u>10,556</u>

17. Security

The company's properties are subject to charges and floating charges over assets are also in place. There are also personal guarantees and assignment of life insurance policies by directors. In addition, cross-company guarantees exist between the companies within the group.

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019 £	2018 £
Not later than 1 year	6,667	40,724
Later than 1 year and not later than 5 years	3,889	10,556
	<u>10,556</u>	<u>51,280</u>

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

19. Provisions for liabilities

	Deferred tax (note 20) £
At 1st February 2018	142,808
Charge against provision	(60,186)
At 31st January 2019	<u>82,622</u>

20. Deferred tax

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

	2019 £	2018 £
Included in provisions for liabilities (note 19)	<u>82,622</u>	<u>142,808</u>

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

	2019 £	2018 £
Accelerated capital allowances	<u>82,622</u>	<u>142,808</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £20,754 (2018: £Nil).

22. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

23. Reserves

Called-up share capital - This represents the nominal value of shares that have been issued.

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

Bawnbua Foods GB Ltd

Notes to the Financial Statements *(continued)*

Year ended 31st January 2019

24. Events after the end of the reporting period

In May 2018 the IQF mince operation, added-value butchery processing, thermo-forming and associated support operations were transferred from Bawnbua Foods GB Ltd to Bawnbua Foods NI Ltd. In May 2019 the remaining sous-vide cooking operations were transferred from Bawnbua Foods GB Ltd to Bawnbua Foods NI Ltd. The directors are content that the transfer of operations between the subsidiary companies will facilitate operating efficiencies and cost savings that will drive the business forward in an increasingly competitive market.

25. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
M White	(18)	5,090	(5,100)	(28)

	2018			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
M White	(631)	5,813	(5,200)	(18)

26. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

27. Control

The immediate and ultimate parent company is Bawnbua Foods Ltd, a company incorporated in Northern Ireland. The ultimate controlling parties are considered to be the directors of Bawnbua Foods Ltd. D White, G White, MP White and M White whom together own 100% of the issued share capital in the ultimate parent company.