

COMPANY REGISTRATION NUMBER: 10470515

Baird Foods Services Limited
Filleted Financial Statements
31st October 2020



GARRATTS WOLVERHAMPTON LIMITED

Chartered accountants & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

Baird Foods Services Limited

Financial Statements

Year ended 31st October 2020

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Baird Foods Services Limited

Statement of Financial Position

31st October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	957,722	1,100,657
Current assets			
Debtors	7	1,013,699	743,121
Cash at bank and in hand		1,047,883	384,838
		<u>2,061,582</u>	<u>1,127,959</u>
Creditors: amounts falling due within one year	8	<u>1,292,624</u>	<u>872,419</u>
Net current assets		<u>768,958</u>	<u>255,540</u>
Total assets less current liabilities		<u>1,726,680</u>	<u>1,356,197</u>
Creditors: amounts falling due after more than one year	9	46,354	125,818
Provisions			
Taxation including deferred tax		101,324	110,779
Net assets		<u>1,579,002</u>	<u>1,119,600</u>
Capital and reserves			
Called up share capital		250,000	250,000
Profit and loss account		<u>1,329,002</u>	<u>869,600</u>
Shareholders funds		<u>1,579,002</u>	<u>1,119,600</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 25th March 2021, and are signed on behalf of the board by:



Mr N R Baird
Director

Company registration number: 10470515

The notes on pages 2 to 5 form part of these financial statements.

Baird Foods Services Limited

Notes to the Financial Statements

Year ended 31st October 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 10, Barton Marina, Barton Under Needwood, Burton-On-Trent, Staffordshire, DE13 8AS.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

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

Revenue from the sale of goods is recognised when the risks and rewards of ownership of the goods have transferred to the buyer, 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.

Baird Foods Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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 and machinery	- 2 to 10 years straight line
Fixtures and fittings	- 6 years straight line
Equipment	- 2 to 4 years straight line

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.

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 instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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.

Baird Foods Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2020

4. Employee numbers

The average number of persons employed by the company during the year amounted to 50 (2019: 77).

5. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	117,216	14,812
Deferred tax:		
Origination and reversal of timing differences	(9,455)	74,015
Tax on profit	<u>107,761</u>	<u>88,827</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	567,163	464,896
Profit on ordinary activities by rate of tax	107,761	88,330
Effect of expenses not deductible for tax purposes	—	497
Tax on profit	<u>107,761</u>	<u>88,827</u>

6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1st November 2019	1,477,120	15,531	7,919	1,500,570
Additions	74,695	—	2,286	76,981
At 31st October 2020	<u>1,551,815</u>	<u>15,531</u>	<u>10,205</u>	<u>1,577,551</u>
Depreciation				
At 1st November 2019	389,449	6,687	3,777	399,913
Charge for the year	214,897	2,588	2,431	219,916
At 31st October 2020	<u>604,346</u>	<u>9,275</u>	<u>6,208</u>	<u>619,829</u>
Carrying amount				
At 31st October 2020	<u>947,469</u>	<u>6,256</u>	<u>3,997</u>	<u>957,722</u>
At 31st October 2019	<u>1,087,671</u>	<u>8,844</u>	<u>4,142</u>	<u>1,100,657</u>

Baird Foods Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st October 2020

7. Debtors

	2020	2019
	£	£
Trade debtors	322,834	200,142
Amounts owed by fellow subsidiary	516,859	427,078
Other debtors	174,006	115,901
	<u>1,013,699</u>	<u>743,121</u>

8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	543,531	389,455
Corporation tax	117,216	14,812
Social security and other taxes	295,601	165,282
Other creditors	336,276	302,870
	<u>1,292,624</u>	<u>872,419</u>

9. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	<u>46,354</u>	<u>125,818</u>

10. Summary audit opinion

The auditor's report for the year dated 25th March 2021 was unqualified.

The senior statutory auditor was R S Chaggar FCA, for and on behalf of Garratts Wolverhampton Limited.

11. Related party transactions

During the year sales of £3,626,491 (2019: £1,614,274) were made to Baird Foods Limited, a fellow subsidiary. At the year end amounts owed from Baird Foods Limited amounted to £516,859 (2019: 427,078). Management charges payable to Baird Foods Limited during the year amounted to £104,800 (2019: £72,000).

The trading premises is rented from Mr N Baird, a director of the company. During the year rent of £150,000 (2019: £150,000) was charged by Mr N Baird. At the year end the amount due to Mr N Baird amounted to £30,000 (2019: £30,000).

12. Ultimate parent company

The ultimate parent company is Baird Foods Holdings Limited, a company incorporated in England and holding a beneficial interest in 100% of the issued share capital. The consolidated accounts of Baird Foods Holdings Limited are available to the public from Companies House.