

Pennine Food Ingredients Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2017

Paramount Accountancy Ltd
Chartered Accountants
Independence House
Holly Bank Road
Huddersfield
West Yorkshire
HD3 3LX

Pennine Food Ingredients Limited

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Pennine Food Ingredients Limited

Company Information

| | |
|--------------------------|--|
| Directors | Mrs Valerie Joan Gaunt Mr Stephen Richard Gaunt Mrs Tania Elizabeth Jones Mr Stephen Duffitt Mrs Caroline Ann Duffitt |
| Company secretary | Mrs Tania Elizabeth Jones |
| Registered office | Pennine Food Ingredients Ltd Crosland Road Oakes Huddersfield HD3 3PA |
| Accountants | Paramount Accountancy Ltd Chartered Accountants Independence House Holly Bank Road Huddersfield West Yorkshire HD3 3LX |

**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Pennine Food Ingredients Limited
for the Year Ended 31 August 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Pennine Food Ingredients Limited for the year ended 31 August 2017 as set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Pennine Food Ingredients Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Pennine Food Ingredients Limited and state those matters that we have agreed to state to the Board of Directors of Pennine Food Ingredients Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pennine Food Ingredients Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Pennine Food Ingredients Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Pennine Food Ingredients Limited. You consider that Pennine Food Ingredients Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Pennine Food Ingredients Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Paramount Accountancy Ltd
Chartered Accountants
Independence House
Holly Bank Road
Huddersfield
West Yorkshire
HD3 3LX

30 April 2018

Pennine Food Ingredients Limited
(Registration number: 02365569)
Balance Sheet as at 31 August 2017

| | Note | 2017 £ | 2016 £ |
|--|----------|-----------|-------------|
| Fixed assets | | | |
| Tangible assets | <u>5</u> | 339,021 | 403,031 |
| Current assets | | | |
| Stocks | <u>6</u> | 535,613 | 476,101 |
| Debtors | <u>7</u> | 316,015 | 261,836 |
| Cash at bank and in hand | | 38,918 | 101,815 |
| | | 890,546 | 839,752 |
| Creditors: Amounts falling due within one year | <u>8</u> | (973,013) | (1,092,699) |
| Net current liabilities | | (82,467) | (252,947) |
| Total assets less current liabilities | | 256,554 | 150,084 |
| Creditors: Amounts falling due after more than one year | <u>8</u> | (81,224) | (112,792) |
| Net assets | | 175,330 | 37,292 |
| Capital and reserves | | | |
| Called up share capital | <u>9</u> | 100,360 | 100,360 |
| Profit and loss account | | 74,970 | (63,068) |
| Total equity | | 175,330 | 37,292 |

For the financial year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 5 to 11 form an integral part of these financial statements.

Pennine Food Ingredients Limited
(Registration number: 02365569)
Balance Sheet as at 31 August 2017

Approved and authorised by the Board on 30 April 2018 and signed on its behalf by:

.....
Mrs Valerie Joan Gaunt
Director

.....
Mr Stephen Richard Gaunt
Director

.....
Mrs Tania Elizabeth Jones
Company secretary and director

.....
Mr Stephen Duffitt
Director

The notes on pages 5 to 11 form an integral part of these financial statements.

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

1 General information

The company is a private company limited by share capital, incorporated in England & Wales .

The address of its registered office is:

Pennine Food Ingredients Ltd
Crosland Road
Oakes
Huddersfield
HD3 3PA
England

These financial statements were authorised for issue by the Board on 30 April 2018.

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.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

| Asset class | Depreciation method and rate |
|---------------------|-------------------------------------|
| Plant and machinery | 10% Straight line |
| Motor vehicles | 25% Straight line |

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 26 (2016 - 26).

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

4 Intangible assets

| | Goodwill £ | Total £ |
|--------------------------|---------------|------------|
| Cost or valuation | | |
| At 1 September 2016 | 2,200 | 2,200 |
| At 31 August 2017 | 2,200 | 2,200 |
| Amortisation | | |
| At 1 September 2016 | 2,200 | 2,200 |
| At 31 August 2017 | 2,200 | 2,200 |
| Carrying amount | | |
| At 31 August 2017 | - | - |

5 Tangible assets

| | Plant and machinery £ | Motor vehicles £ | Total £ |
|--------------------------|-----------------------------|---------------------|------------|
| Cost or valuation | | | |
| At 1 September 2016 | 658,849 | 66,382 | 725,231 |
| Additions | 17,280 | - | 17,280 |
| At 31 August 2017 | 676,129 | 66,382 | 742,511 |
| Depreciation | | | |
| At 1 September 2016 | 283,395 | 38,805 | 322,200 |
| Charge for the year | 68,852 | 12,438 | 81,290 |
| At 31 August 2017 | 352,247 | 51,243 | 403,490 |
| Carrying amount | | | |
| At 31 August 2017 | 323,882 | 15,139 | 339,021 |
| At 31 August 2016 | 375,454 | 27,577 | 403,031 |

6 Stocks

| | 2017 £ | 2016 £ |
|-------------------|-----------|-----------|
| Other inventories | 535,613 | 476,101 |

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

7 Debtors

| | 2017 £ | 2016 £ |
|---------------|----------------|----------------|
| Trade debtors | 269,888 | 236,645 |
| Prepayments | 23,679 | 25,191 |
| Other debtors | 22,448 | - |
| | <u>316,015</u> | <u>261,836</u> |

8 Creditors

Creditors: amounts falling due within one year

| | Note | 2017 £ | 2016 £ |
|------------------------------|-----------|----------------|------------------|
| Due within one year | | | |
| Loans and borrowings | <u>10</u> | 76,814 | 153,549 |
| Trade creditors | | 302,202 | 330,049 |
| Taxation and social security | | 1,477 | 17,983 |
| Accruals and deferred income | | 16,454 | 15,582 |
| Other creditors | | 576,066 | 575,536 |
| | | <u>973,013</u> | <u>1,092,699</u> |

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £76,814 (2016 - £153,549).

Creditors: amounts falling due after more than one year

| | Note | 2017 £ | 2016 £ |
|---------------------------|-----------|---------------|----------------|
| Due after one year | | | |
| Loans and borrowings | <u>10</u> | <u>81,224</u> | <u>112,792</u> |

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £81,224 (2016 - £112,792).

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

9 Share capital

Allotted, called up and fully paid shares

| | 2017 | | 2016 | |
|---------------------|---------|---------|---------|---------|
| | No. | £ | No. | £ |
| Ordinary of £1 each | 100,360 | 100,360 | 100,360 | 100,360 |

10 Loans and borrowings

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Non-current loans and borrowings | | |
| Finance lease liabilities | 81,224 | 112,792 |

| | 2017 £ | 2016 £ |
|-------------------------------------|-----------|-----------|
| Current loans and borrowings | | |
| Finance lease liabilities | 31,569 | 31,570 |
| Other borrowings | 45,245 | 121,979 |
| | 76,814 | 153,549 |

11 Related party transactions

Key management personnel

Mr S R Gaunt and Mrs V J Gaunt - Directors.

Summary of transactions with key management

Amount owed to Mr S R Gaunt and Mrs V J Gaunt £548,696 (2016 £548,696).

Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Remuneration | 47,250 | 47,250 |
| Contributions paid to money purchase schemes | 318 | - |
| | 47,568 | 47,250 |

Pennine Food Ingredients Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Summary of transactions with other related parties

Savvie Holdings Ltd - Parent company.

Amount owed to Savvie Holdings Ltd £26,336 (2016 £26,336).

Rent payable to the related party amounts to £32,863 (2016 £33,000).

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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.