

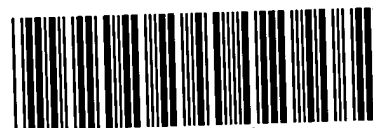
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Company Registration No. 06541251 (England and Wales)

**DAVID WOOD BAKING LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
28 MARCH 2015**

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# DAVID WOOD BAKING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D A Wood Mrs K Wood
<b>Secretary</b>	Mrs K Wood
<b>Company number</b>	06541251
<b>Registered office</b>	1 Calverley Road Oulton Leeds LS26 8JD
<b>Auditors</b>	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) 2 Whitehall Quay Leeds West Yorkshire LS1 4HG

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# DAVID WOOD BAKING LIMITED

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# DAVID WOOD BAKING LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 28 MARCH 2015

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The directors present the strategic report and financial statements for the year ended 28 March 2015.

### Review of the business

Our strategy is to deliver shareholder value by:

- Delivering sales growth through investment in organic growth drivers such as new product development and expansion in high growth markets;
- Enhancing margins through a relentless drive for operational improvement across all our businesses;
- Managing the balance sheet and operations efficiently to generate strong cash-flows;
- Making acquisitions that add complementary customers or products; and
- Improving returns on capital.

In the summer of 2014 the company acquired a well-equipped site in North Wales with contracted sales activity. The value of the property & equipment acquired far exceeded the value paid. The company has taken on the TUPE commitments of the employees at the site & contracted to continue supply to the seller at market prices for a period of time.

Taking a longer term view of its operations the business undertook a significant re-organisation at two of its seven sites, closing an older, expensive, third party leased site in North London and moving all production into a pension scheme owned modern underutilised facility in the West Midlands. The cost of this exercise have exceeded £2m but will deliver significant savings & benefits for future periods.

As a result of the re-organisation & the underperformance at both of the sites involved, significant losses have been reported during this year. However the business is now in a position to focus on filling capacity & improving site operational efficiency.

### Principal risks and uncertainties

Commercial risks include:

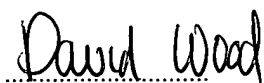
- Cost increases in raw materials or energy - where possible these are managed by means of longer term contracts or contracts with customers that provide a margin of profit over actual costs. The purchasing team focus on obtaining value for money on all materials acquired with a schedule of constant review of key materials acquired
- Contracts can and have been lost due to competition from other suppliers into the markets we serve. The company sets margin targets based on cost assumptions for a site as well as capacity opportunities at each site but will not commit to contracts unless the margins are acceptable to it.

### Key performance indicators

KPIs used to monitor the performance of the business include:

- Detailed weekly and monthly operating reports for each site highlighting continual improvements in site efficiencies and capacity utilisation;
- Health & safety - accidents, both reportable and other are measured & trend analysis used to monitor improvements;
- Food safety - regular site audits are conducted by our own internal teams as well as by customers and external auditors. We recognise that we have obligations to our customers & the consumers. The company holds BRC Global Standard for Food Safety Certification for each of its sites.

On behalf of the board



Mr D A Wood

Director

15 March 2016

# DAVID WOOD BAKING LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 28 MARCH 2015

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The directors present their report and financial statements for the year ended 28 March 2015.

### Principal activities

The principal activity of the company continued to be that of the manufacture of breads, confectionary items and savoury products such as frozen pies and ready made meals.

### Results and dividends

The company's trading loss for the year, after taxation was £2,473,254 (2014 profit £115,853).

### Research and development

During the period the company incurred costs in relation to research and development amounting £37,328 (2014 - £48,927). Costs have been expensed to the profit and loss account when occurred.

### Future developments

The company is now focused on improving capacity utilisation at each site as well as maximising site operational efficiency.

We will focus on developing customer relationships by selling more products to existing customers.

We will focus on engineering improvements at each site to reduce materials wasted & avoid additional employee recruitment as we grow.

This will deliver products at the very best value for money to its customers whilst achieving acceptable margins for the future benefit of the business.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D A Wood

Mrs K Wood

### Employee involvement

The company is committed to equal opportunity in all employment practices, policies and procedures. This means that no employee or potential employee will receive less favourable treatment due to race, religion, nationality, age, sex, sexuality or disability.

All employees are trained for several roles, and encouraged to move up to a higher grade. Employees are kept informed about company matters through internal media and through managers.

### Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

### Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

**DAVID WOOD BAKING LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 28 MARCH 2015**

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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

**Qualifying 3rd party indemnity provisions**

Qualifying third party indemnity insurance is in place for all directors of the company.

On behalf of the board

*David Wood*

Mr D A Wood

Director

*D.A. Wood 2016*

## **DAVID WOOD BAKING LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 MARCH 2015**

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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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVID WOOD BAKING LIMITED

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We have audited the financial statements on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*RSM UK Audit LLP*

Neil Sevitt (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

West Yorkshire

LS1 4HG

*15<sup>th</sup> March 2016*



**DAVID WOOD BAKING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 28 MARCH 2015**

	Notes	2015 £	2014 £
Turnover	2	61,737,207	59,696,343
Cost of sales		(52,377,216)	(50,763,015)
<b>Gross profit</b>		9,359,991	8,933,328
Distribution costs		(3,255,502)	(3,104,367)
Administrative expenses		(6,693,770)	(5,602,181)
Other operating income		71,488	69,325
<b>Operating (loss)/profit</b>		(517,793)	296,105
Costs of a fundamental reorganisation or restructuring of existing operations	3	(2,138,615)	-
<b>(Loss)/profit on ordinary activities before interest</b>		(2,656,408)	296,105
Interest receivable and similar income	4	5,461	-
Interest payable and similar charges	5	(390,821)	(283,037)
<b>(Loss)/profit on ordinary activities before taxation</b>	6	(3,041,768)	13,068
Tax on (loss)/profit on ordinary activities	9	568,514	102,785
<b>(Loss)/profit for the financial year</b>	22	(2,473,254)	115,853

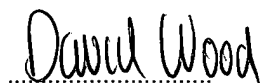
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**DAVID WOOD BAKING LIMITED****BALANCE SHEET  
AS AT 28 MARCH 2015**

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Patents	11		-		-
Negative goodwill	12		(1,450,813)		-
Tangible assets	14		14,937,802		9,967,000
<b>Current assets</b>					
Stocks	15	4,373,688		3,189,881	
Debtors	16	14,207,013		9,961,139	
Cash at bank and in hand		2,036,816		940,949	
			20,617,517		14,091,969
<b>Creditors: amounts falling due within one year</b>	17	(25,542,982)		(16,053,324)	
<b>Net current liabilities</b>			(4,925,465)		(1,961,355)
<b>Total assets less current liabilities</b>			8,561,524		8,005,645
<b>Creditors: amounts falling due after more than one year</b>	18		(4,377,614)		(976,084)
<b>Provisions for liabilities</b>	19		-		(344,159)
<b>Accruals and deferred income</b>	20		(429,370)		(457,608)
<b>Net assets</b>			3,754,540		6,227,794
<b>Capital and reserves</b>					
Called up share capital	21		5,000,000		5,000,000
Profit and loss account	22		(1,245,460)		1,227,794
<b>Shareholder's funds</b>	23		3,754,540		6,227,794

The financial statements on pages 6 to 21 were approved by the board of directors and authorised for issue on 15 March 2015 and are signed on its behalf by:



Mr D A Wood  
Director

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 MARCH 2015

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### 1 Accounting policies

#### Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### Going concern

The accounts have been prepared on a going concern basis. The directors have considered how the company will meet the challenges presented by the current economic climate and have carried out a detailed review of the company's resources including the adequacy of working capital for the next twelve months. At the year end the company had net current liabilities of £4,925,465 (2014 - £1,961,355) and negative profit and loss reserves of £1,245,460 (2014 - positive £1,227,794). However, the company has significant cash reserves at the year end and having reviewed the cash flow forecasts for the next 12 months and having considered the borrowing facilities the company has in place at the date of approval of the financial statements, the directors are satisfied that the company will have sufficient resources to meet all liabilities as they fall due in the 12 months from approval of these financial statements.

#### Cashflow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that a consolidated cashflow statement is included in the consolidated accounts of its parent company David Wood Baking UK Limited.

#### Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised at the point goods are delivered to the customer.

#### Negative goodwill

Negative goodwill is where a bargain purchase has arisen and represents the difference between the amount of consideration the company has paid compare to the fair value of the underlying assets and liabilities acquired. Negative goodwill is being released over a period of 4 years, being the useful economic life of the acquired trade.

#### Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual installments over their estimated useful lives. Amortisation is provided 20% on cost.

#### Research and development

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and its amortised in line with sales from the related product. All research and development costs are written off as incurred.

#### Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% on cost
Land and buildings Leasehold	Over the length of the lease or 10% on cost
Plant and machinery	10% on cost
Computer equipment	50% on cost
Fixtures, fittings and equipment	10% on cost
Motor vehicles	25% on cost

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 1 Accounting policies (Continued)

#### Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### Stock

Stock is valued at the lower of cost and net realisable value.

#### Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. Past service cost is recognised as an expense immediately.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as 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.

#### Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

### 2 Turnover

#### Geographical market

	Turnover	
	2015 £	2014 £
United Kingdom	61,526,207	59,479,343
Republic of Ireland	137,000	217,000
Germany	74,000	-
	<u>61,737,207</u>	<u>59,696,343</u>

### 3 Exceptional items reported after operating (loss)/profit

Restructuring costs relate to redundancy, dilapidations and relocation expenses incurred in the amalgamation of the old Dudley and old Park Royal operations into one combined site during the year.

The effects of the exceptional items reported after operating (loss)/profit on the amounts charged to the profit and loss account for taxation were:

	2015 £	2014 £
Costs of a fundamental reorganisation or restructuring	<u>2,138,615</u>	<u>-</u>

### 4 Interest receivable and similar income

	2015 £	2014 £
Bank interest	<u>5,461</u>	<u>-</u>
	<u>5,461</u>	<u>-</u>

### 5 Interest payable and similar charges

	2015 £	2014 £
On bank loans and overdrafts	74,146	54,354
Lease finance charges	58,239	3,398
Invoice finance and other loans	258,436	225,285
	<u>390,821</u>	<u>283,037</u>

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

<b>6</b>	<b>(Loss)/profit on ordinary activities before taxation</b>	<b>2015</b>	<b>2014</b>
		£	£
	(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Amortisation of intangible assets	(334,687)	500
	Depreciation of tangible fixed assets		
	- owned	1,508,904	1,300,341
	- held under finance leases and hire purchase contracts	114,687	37,632
	Loss/(profit) on disposal of tangible assets	10,848	(6,936)
	Research and development	37,328	48,927
	Operating lease rentals		
	- Plant and machinery	95,546	76,154
	- Other assets	792,022	1,173,018
	Government grants	(71,488)	(69,325)
		<u>                    </u>	<u>                    </u>

The company has incurred fees for audit and non-audit services on behalf of the group headed by David Wood Baking UK Limited.

### Auditor's remuneration

Amounts payable in respect of both audit and non-audit services were as follows

	RSM UK Audit LLP	WHS Accountants Limited
	2015	2014
	£	£
Audit services		
- Statutory audit of financial statements	29,000	36,250
Non audit services		
- Accounts preparation	5,000	-
- Corporation tax	3,500	-
- Other non audit services	-	11,250
	<u>                    </u>	<u>                    </u>
	<u>37,500</u>	<u>47,500</u>

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 7 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Direct	615	599
Transport	35	34
Management	35	31
Technical and quality assurance	36	29
Administrative	14	13
	<u>735</u>	<u>706</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	14,270,239	14,533,232
Social security costs	1,265,328	1,210,763
Other pension costs	132,083	70,897
	<u>15,667,650</u>	<u>15,814,892</u>

### 8 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>68,510</u>	<u>66,000</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

### 9 Tax on (loss)/profit on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
U.K. corporation tax	(224,355)	-
Adjustment in respect of prior years	-	(109,406)
<b>Total current tax</b>	<u>(224,355)</u>	<u>(109,406)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(407,893)	6,621
Deferred tax adjustments arising in previous periods	63,734	-
<b>Total deferred tax</b>	<u>(344,159)</u>	<u>6,621</u>
<b>Total tax on (loss)/profit on ordinary activities</b>	<u><u>(568,514)</u></u>	<u><u>(102,785)</u></u>

#### Factors affecting the tax credit for the year

The tax assessed for the year is higher than the standard rate of corporation tax of 20.00% (2014 - 23.00%). The differences are explained below:

(Loss)/profit on ordinary activities before taxation	(3,041,768)	13,068
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 23.00%)	(608,354)	3,006
Effects of:		
Expenses not deductible for tax purposes	(18,466)	3,270
Capital allowances	(86,864)	(52,616)
Utilisation of tax losses	(224,355)	63,734
Adjustments to previous periods	-	(109,406)
Short term timing differences	6,938	-
Losses not utilised	706,746	-
Income not taxable	-	(15,945)
Other tax adjustments	-	(1,449)
	<u>383,999</u>	<u>(112,412)</u>
<b>Current tax credit for the year</b>	<u><u>(224,355)</u></u>	<u><u>(109,406)</u></u>

### 10 Dividends

	2015 £	2014 £
Interim dividends paid on ordinary shares	-	47,573

No dividends were paid in the year. Dividends paid in the prior year amounted to £105.10 per ordinary share.



# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 11 Intangible fixed assets

	<b>Patents £</b>
<b>Cost</b>	
At 30 March 2014 & at 28 March 2015	5,000
	<hr/>
<b>Amortisation</b>	
At 30 March 2014 & at 28 March 2015	5,000
	<hr/>
<b>Net book value</b>	
At 28 March 2015	-
	<hr/> <hr/>
At 29 March 2014	-
	<hr/> <hr/>

### 12 Goodwill

	<b>Negative goodwill £</b>
<b>Cost</b>	
At 30 March 2014	-
Additions	(1,785,500)
	<hr/>
At 28 March 2015	(1,785,500)
	<hr/>
<b>Amortisation</b>	
At 30 March 2014	-
Charge for the year	(334,687)
	<hr/>
At 28 March 2015	(334,687)
	<hr/>
<b>Net book value</b>	
At 28 March 2015	(1,450,813)
	<hr/> <hr/>
At 29 March 2014	-
	<hr/> <hr/>

Negative goodwill has arisen on the July 2014 acquisition of the trade and assets of a new operation acquired at a discount. These assets were restated to fair value as part of the accounting for a business combination. Amortisation is released in line with the period over which the directors expect benefits to arise.

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 13 Analysis of the business combination:

	Fair value to company £
Net assets acquired:	
Tangible fixed assets	1,300,000
Debtors	485,501
Stock	394,173
	<hr/>
Goodwill on acquisition	2,179,674
	<hr/>
Discharged by:	
Cash paid	(394,174)
	<hr/>
Negative goodwill	1,785,500
	<hr/> <hr/>

The contribution to turnover for the period to 28 March 2015 for the Flint site was £8,549,055, with an operating profit for the same period of £10,927.

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

### 14 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 30 March 2014	-	535,700	11,616,421	1,666,180	217,154	14,035,455
Additions	3,162,800	1,356,008	1,890,471	45,344	268,843	6,723,466
Disposals	-	(53,449)	(149,538)	(4,878)	(12,694)	(220,559)
At 28 March 2015	3,162,800	1,838,259	13,357,354	1,706,646	473,303	20,538,362
<b>Depreciation</b>						
At 30 March 2014	-	54,853	3,471,272	477,006	65,324	4,068,455
On disposals	-	(49,361)	(31,022)	(789)	(10,314)	(91,486)
Charge for the year	20,858	68,159	1,221,718	237,442	75,414	1,623,591
At 28 March 2015	20,858	73,651	4,661,968	713,659	130,424	5,600,560
<b>Net book value</b>						
At 28 March 2015	3,141,942	1,764,608	8,695,386	992,987	342,879	14,937,802
At 29 March 2014	-	480,847	8,145,149	1,189,174	151,830	9,967,000

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
<b>Net book values</b>			
At 28 March 2015	495,390	321,076	816,466
At 29 March 2014	45,930	130,333	176,263
<b>Depreciation charge for the year</b>			
At 28 March 2015	51,816	62,871	114,687
At 29 March 2014	8,845	28,787	37,632

Computer equipment is presented within plant and machinery.

15 Stocks	2015 £	2014 £
Raw materials and consumables	1,974,296	1,479,792
Finished goods	2,399,392	1,710,089
	4,373,688	3,189,881

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

16 Debtors	2015 £	2014 £
Trade debtors	13,221,024	9,208,823
Corporation tax	224,355	109,406
VAT	329,588	277,495
Other debtors	55,000	-
Prepayments and accrued income	377,046	365,415
	<u>14,207,013</u>	<u>9,961,139</u>

17 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and invoice discount facility	10,700,097	7,028,944
Net obligations under finance leases	426,658	37,598
Trade creditors	10,028,924	6,301,494
Amounts owed to group undertakings	93,942	141,514
Corporation tax	-	723
Other taxation and social security costs	389,179	324,470
Directors' current accounts	1,126,590	556,167
Other creditors	342,000	-
Accruals and deferred income	2,435,592	1,662,414
	<u>25,542,982</u>	<u>16,053,324</u>

Bank loans and invoice discount facility are secured by various mortgages, charges and a debenture over the company's and other group companies' tangible fixed assets and trade debtors. The directors, David Wood and Karen Wood, have given personal guarantees and a charge over their residential property. Hire purchase assets are secured against the assets to which they relate.

Mortgage loans incur interest of 2.75% over Bank of England base rate. Pension scheme loans incur interest ranging from 3-4%. Asset loans incur interest of 3% over Bank of England base rate. The average interest charged on hire purchase agreements is 4%.

Creditors includes amounts of £34,672 (2014: £9,999) in respect of outstanding pension contributions.

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

18 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loans	3,364,689	891,761
Other loans	396,000	-
Net obligations under finance leases	616,925	84,323
	<u>4,377,614</u>	<u>976,084</u>

Included in the above are the following:

### Analysis of debt maturity

Amounts payable:

In more than one year but not more than two years	1,762,904	352,768
In more than two years but not more than five years	972,000	538,993
In five years or more	1,025,785	-
	<u>3,760,689</u>	<u>891,761</u>

### Net obligations under finance leases

Amounts payable:

Within one year	426,658	37,598
Within two to five years	616,925	84,323
	<u>1,043,583</u>	<u>121,921</u>
Included in liabilities falling due within one year	(426,658)	(37,598)
	<u>616,925</u>	<u>84,323</u>

## 19 Provisions for liabilities

	Deferred tax liability £
Balance at 30 March 2014	344,159
Profit and loss account	(344,159)
Balance at 28 March 2015	<u>-</u>

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 19 Provisions for liabilities (Continued)

Deferred tax is provided as follows:

	2015 £	2014 £
Accelerated capital allowances	551,403	557,446
Tax losses available	(551,403)	(213,287)
	<u>-</u>	<u>344,159</u>

### 20 Accruals and deferred income due after more than one year

	Government grants £
Balance at 30 March 2014	457,608
Grants received during the year	43,250
Amortisation in the year	(71,488)
Balance at 28 March 2015	<u>429,370</u>

### 21 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 5,000,000 Ordinary of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

### 22 Profit and loss account

	Profit and loss account £
Balance at 30 March 2014	1,227,794
Loss for the year	(2,473,254)
Balance at 28 March 2015	<u>(1,245,460)</u>

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

<b>23 Reconciliation of movements in shareholder's funds</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(2,473,254)	115,853
Dividends	-	(47,573)
	<u>(2,473,254)</u>	<u>68,280</u>
Proceeds from issue of shares	-	3,799,998
	<u>(2,473,254)</u>	<u>3,868,278</u>
Net (depletion in)/addition to shareholders' funds	(2,473,254)	3,868,278
Opening shareholder's funds	6,227,794	2,359,516
	<u>6,227,794</u>	<u>2,359,516</u>
Closing shareholder's funds	<u>3,754,540</u>	<u>6,227,794</u>

<b>24 Capital commitments</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At 28 March 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	8,174	-
	<u>8,174</u>	<u>-</u>

### 25 Commitments under operating leases

At 28 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 2 April 2016.

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	50,000	300,000
Between two and five years	171,000	25,300
In over five years	90,000	573,000
	<u>311,000</u>	<u>898,300</u>

### 26 Retirement Benefits

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	132,083	63,845
	<u>132,083</u>	<u>63,845</u>

# DAVID WOOD BAKING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 MARCH 2015

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### 27 Contingent liabilities

There is a pre-emption right included within a key customer contract. In the event that David Wood Baking Limited want to sell the newly acquired Flint site, the customer has the right to acquire the site back for £900,000.

A £400,000 early termination clause also exists, if terminated within 4 years.

### 28 Control

The company is a wholly owned subsidiary of David Wood Baking UK Limited. David Wood Baking UK Limited is under the control of David Wood, the ultimate controlling party by virtue of his majority shareholding.

The largest group for which consolidated financial statements are prepared is David Wood Baking UK Limited.

### 29 Post balance sheet events

On 1 May 2015, a new loan of £275,000 was taken from the David Wood Pension Scheme. This loan is repayable over 5 years with 4% interest.

### 30 Related party relationships and transactions

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 Related Party transactions not to disclose transactions with other group entities.

Mr David Wood is a trustee and member of the David Wood Pension Scheme.

During the year the company paid rent of £35,000 (2014: £136,000) on premises jointly owned by David and Karen Wood. Additionally the company paid a further £245,000 (2014: £105,000) in rent for property owned by the pension scheme. The company also provided a guarantee over borrowings taken out by the director for a property they own personally, but which is occupied and used by the company. These amounted to £1,701,332 at the year end date.

Included in creditors are amounts of £1,126,590 (2014: £556,167) owed to David Wood. Interest is charged at rates ranging from 2.91%- 5.38% on these balances and £36,028 (2014: £35,823) was charged during the year.

Other creditors include an amount of £495,000 (2014: £nil) split £99,000 due within one year and £396,000 due in greater than one year in respect of a loan from the David Wood Pension Scheme.