

Company Registration No. 02843943 (England and Wales)

**DUTTON  
MOORE**

Chartered Accountants  
& Business Advisers

**B & F POTATOES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2017**

WEDNESDAY



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29/11/2017

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COMPANIES HOUSE

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# **B & F POTATOES LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S.J. Bannister J.A. Bannister
<b>Company number</b>	02843943
<b>Registered office</b>	Glebe Farm Butterwick Malton North Yorkshire YO17 8HF
<b>Auditor</b>	Dutton Moore Aldgate House 1-4 Market Place Hull HU1 1RS

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# **B & F POTATOES LIMITED**

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# **B & F POTATOES LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MAY 2017**

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The directors present the strategic report and financial statements for the year ended 31 May 2017.

### **Principal activity**

The principal activity of the company continued to be that of growing and trading potatoes.

### **Business**

The business was incorporated in 1993 to grow and trade potatoes from its base in North Yorkshire. In recent years the company has diversified by opening a farm shop and installing a wind turbine.

### **Review**

The full results for the year are set out on page 6. The company has had another successful year, achieving an operating profit of £1,915,710 (2016: £1,283,991). The directors have paid an interim dividend amounting to £270,000 (2016: £220,000) and they do not recommend payment of a final dividend (2016: nil).

At the year end date the company had sufficient working capital in place.

### **Key performance indicators**

The company's key performance indicators are as follows:

Operating profit - **2017:** £1,915,710, **2016:** £1,283,991, **2015:** £182,728, **2014:** £1,578,761  
Shareholders' funds - **2017:** £6,398,872, **2016:** £5,332,547, **2015:** £4,538,181, **2014:** £4,549,633

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company are UK weather patterns, which influence market behaviour leading to price risk. The company manages this risk by supplying customers with high quality produce backed up by good service levels and strong relationships.

### **Financial instruments**

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and bank loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

The company's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of bank loans the company manages the liquidity risk by ensuring there are sufficient funds to meet the payments as they fall due.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they fall due.

# **B & F POTATOES LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2017.**

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### **Future development**

The company will continue to focus its operations in the current markets for the foreseeable future.

The board believes that the company's strategy together with its experienced management will be a solid foundation for future successful business performance.

On behalf of the board

A handwritten signature in black ink, appearing to read 'S.J. Bannister', followed by a horizontal line and a small cross-like mark.

S.J. Bannister

**Director**

8 November 2017

# **B & F POTATOES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2017**

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The directors present their annual report and financial statements for the year ended 31 May 2017.

### **Directors**

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

S.J. Bannister

J.A. Bannister

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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:

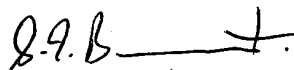
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board



S.J. Bannister

**Director**

8 November 2017

# **B & F POTATOES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF B & F POTATOES LIMITED**

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We have audited the financial statements of B & F Potatoes Limited for the year ended 31 May 2017 set out on pages 6 to 22. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 31 May 2017 and of its profit 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 matters 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.

# **B & F POTATOES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF B & F POTATOES LIMITED**

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#### **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.

**Douglas Baker FCCA (Senior Statutory Auditor)**  
**for and on behalf of Dutton Moore**

13 November 2017

**Chartered Accountants**  
**Statutory Auditor**

Aldgate House  
1-4 Market Place  
Hull  
HU1 1RS



# B & F POTATOES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	2016 £
Turnover	3	12,460,010	9,936,357
Cost of sales		(8,357,982)	(6,947,847)
<b>Gross profit</b>		<b>4,102,028</b>	<b>2,988,510</b>
Administrative expenses		(2,186,318)	(1,704,519)
<b>Operating profit</b>	<b>4</b>	<b>1,915,710</b>	<b>1,283,991</b>
Interest receivable and similar income	7	480	512
Interest payable and similar expenses	8	(51,544)	(66,866)
Amounts written off investments	9	(172,000)	-
<b>Profit before taxation</b>		<b>1,692,646</b>	<b>1,217,637</b>
Tax on profit	10	(356,321)	(203,271)
<b>Profit for the financial year</b>	<b>25</b>	<b>1,336,325</b>	<b>1,014,366</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# B & F POTATOES LIMITED

## BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12	6,030,606		5,629,765	
Investments	13	-		172,000	
		<u>6,030,606</u>		<u>5,801,765</u>	
<b>Current assets</b>					
Stocks	15	1,868,446	1,730,670		
Debtors	16	1,846,382	1,495,600		
Cash at bank and in hand		304,836	8,473		
		<u>4,019,664</u>	<u>3,234,743</u>		
<b>Creditors: amounts falling due within one year</b>	17	(2,430,663)	(2,040,793)		
<b>Net current assets</b>		<u>1,589,001</u>		<u>1,193,950</u>	
<b>Total assets less current liabilities</b>		<u>7,619,607</u>		<u>6,995,715</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(975,334)	(1,411,116)		
<b>Provisions for liabilities</b>	21	(245,401)	(252,052)		
<b>Net assets</b>		<u>6,398,872</u>		<u>5,332,547</u>	
<b>Capital and reserves</b>					
Called up share capital	24	100	100		
Profit and loss reserves	25	6,398,772	5,332,447		
<b>Total equity</b>		<u>6,398,872</u>		<u>5,332,547</u>	

The financial statements were approved by the board of directors and authorised for issue on 8 November 2017 and are signed on its behalf by:



S.J. Bannister  
Director

Company Registration No. 02843943

# B & F POTATOES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2015</b>		100	4,538,081	4,538,181
<b>Year ended 31 May 2016:</b>				
Profit and total comprehensive income for the year		-	1,014,366	1,014,366
Dividends	11	-	(220,000)	(220,000)
<b>Balance at 31 May 2016</b>		100	5,332,447	5,332,547
<b>Year ended 31 May 2017:</b>				
Profit and total comprehensive income for the year		-	1,336,325	1,336,325
Dividends	11	-	(270,000)	(270,000)
<b>Balance at 31 May 2017</b>		100	6,398,772	6,398,872

# B & F POTATOES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	2,193,461		1,781,537	
Interest paid		(51,544)		(66,866)	
Income taxes (paid)/refunded		(133,718)		93,396	
<b>Net cash inflow from operating activities</b>		2,008,199		1,808,067	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,023,774)		(716,215)	
Proceeds on disposal of tangible fixed assets		101,449		61,850	
Interest received		480		512	
<b>Net cash used in investing activities</b>		(921,845)		(653,853)	
<b>Financing activities</b>					
Repayment of bank loans		(279,188)		(269,671)	
Payment of finance leases obligations		(281,991)		(276,165)	
Dividends paid		(270,000)		(220,000)	
<b>Net cash used in financing activities</b>		(831,179)		(765,836)	
<b>Net increase in cash and cash equivalents</b>		255,175		388,378	
Cash and cash equivalents at beginning of year		(138,032)		(526,410)	
<b>Cash and cash equivalents at end of year</b>		117,143		(138,032)	
<b>Relating to:</b>					
Cash at bank and in hand		304,836		8,473	
Bank overdrafts included in creditors payable within one year		(187,693)		(146,505)	

# **B & F POTATOES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2017**

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### **1 Accounting policies**

#### **Company information**

B & F Potatoes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Glebe Farm, Butterwick, Malton, North Yorkshire, YO17 8HF.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the certain financial instruments at fair value.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over fifty years
Plant and machinery	5-10% on cost and 10-25% per annum of net book value
Fixtures, fittings & equipment	10-25% per annum of net book value
Motor vehicles	25% per annum of net book value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2017

#### 1 Accounting policies

(Continued)

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.



# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
<b>Turnover</b>		
Sales	12,460,010	9,936,357

#### Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	12,460,010	9,936,357

### 4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	3,675	3,375
Depreciation of owned tangible fixed assets	508,739	406,587
Depreciation of tangible fixed assets held under finance leases	234,374	248,414
Profit on disposal of tangible fixed assets	(26,629)	(45,021)

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration and sales	5	5
Other	42	37
	<u>47</u>	<u>42</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,169,703	944,771
Social security costs	101,009	86,735
Pension costs	7,727	4,446
	<u>1,278,439</u>	<u>1,035,952</u>

### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>50,750</u>	<u>-</u>

### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	82	9
Other interest income	398	503
	<u>480</u>	<u>512</u>

### 8 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	31,005	49,199
Interest on finance leases and hire purchase contracts	20,539	17,667
	<u>51,544</u>	<u>66,866</u>

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

<b>9</b>	<b>Amounts written off investments fixed asset investments</b>	<b>2017 £</b>	<b>2016 £</b>
	Loss on investments	172,000	-
<b>10</b>	<b>Taxation</b>	<b>2017 £</b>	<b>2016 £</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	383,876	215,323
	Adjustments in respect of prior periods	(20,904)	(38,061)
	Total current tax	362,972	177,262
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(6,651)	26,009
	Total tax charge	356,321	203,271
The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:			
		<b>2017 £</b>	<b>2016 £</b>
	Profit before taxation	1,692,646	1,217,637
	Expected tax charge based on the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)	335,700	243,527
	Tax effect of expenses that are not deductible in determining taxable profit	2,306	-
	Adjustments in respect of prior years	(20,904)	(38,061)
	Permanent capital allowances in excess of depreciation	11,758	(28,204)
	Effect of change in investments	34,112	-
	Deferred tax adjustments in respect of prior years	(6,651)	26,009
	Taxation charge for the year	356,321	203,271
<b>11</b>	<b>Dividends</b>	<b>2017 £</b>	<b>2016 £</b>
	Interim paid	270,000	220,000

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 12 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2016	2,658,480	6,877,466	39,592	98,994	9,674,532
Additions	90,320	1,088,579	-	39,875	1,218,774
Disposals	-	(484,459)	-	(8,550)	(493,009)
At 31 May 2017	2,748,800	7,481,586	39,592	130,319	10,400,297
<b>Depreciation and impairment</b>					
At 1 June 2016	244,249	3,734,865	12,366	53,287	4,044,767
Depreciation charged in the year	24,278	696,168	6,347	16,320	743,113
Eliminated in respect of disposals	-	(413,489)	-	(4,700)	(418,189)
At 31 May 2017	268,527	4,017,544	18,713	64,907	4,369,691
<b>Carrying amount</b>					
At 31 May 2017	2,480,273	3,464,042	20,879	65,412	6,030,606
At 31 May 2016	2,414,231	3,142,601	27,226	45,707	5,629,765

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	703,125	794,424
Depreciation charge for the year in respect of leased assets	234,374	248,414

### 13 Fixed asset investments

	2017 £	2016 £
Other investments	-	172,000

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in participating interests £
<b>Cost or valuation</b>	
At 1 June 2016	172,000
Disposals	(172,000)
At 31 May 2017	-
<b>Carrying amount</b>	
At 31 May 2017	-
At 31 May 2016	172,000

### 14 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,722,200	1,363,966
Equity instruments measured at cost less impairment	-	172,000
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	2,996,977	3,271,260

### 15 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,868,446	1,730,670

### 16 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,722,200	1,363,966
Other debtors	124,182	131,634
	1,846,382	1,495,600

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 17 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	19	474,327	423,239
Obligations under finance leases	20	277,567	217,864
Trade creditors		1,127,567	1,124,837
Corporation tax		383,876	154,622
Other taxation and social security		25,144	26,027
Other creditors		12,137	26,796
Accruals and deferred income		130,045	67,408
		<u>2,430,663</u>	<u>2,040,793</u>

Included in creditors amounts falling due within one year are secured creditors of £751,894 (2016: £641,103).

### 18 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	19	746,959	1,036,047
Obligations under finance leases	20	228,375	375,069
		<u>975,334</u>	<u>1,411,116</u>

Included in creditors: amounts falling due after more than one year are secured creditors of £975,334 (2016: £1,411,116).

### 19 Loans and overdrafts

	2017 £	2016 £
Bank loans	1,033,593	1,312,781
Bank overdrafts	187,693	146,505
	<u>1,221,286</u>	<u>1,459,286</u>
Payable within one year	474,327	423,239
Payable after one year	746,959	1,036,047

The long-term loans are secured by fixed charges over the freehold land and buildings.

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 20 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	295,864	232,631
In two to five years	210,623	230,585
In over five years	38,699	178,604
	<u>545,186</u>	<u>641,820</u>
Less: future finance charges	(39,244)	(48,887)
	<u>505,942</u>	<u>592,933</u>

### 21 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	22	<u>245,401</u>	<u>252,052</u>

### 22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	<u>245,401</u>	<u>252,052</u>
<b>Movements in the year:</b>		2017 £
Liability at 1 June 2016		252,052
Credit to profit or loss		(6,651)
Liability at 31 May 2017		<u>245,401</u>

# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 23 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	7,727	4,446

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 24 Share capital

	2017	2016
Ordinary share capital Issued and fully paid	£	£
100 Ordinary shares of £1 each	100	100

### 25 Profit and loss reserves

This reserve represents cumulative retained profits and losses.

### 26 Related party transactions

a) During the year charges of £nil (2016: £80,000) were made to M & K Bannister, in which S.J. Bannister and J.A. Bannister are partners. At the balance sheet date, M & K Bannister owed the company £96,000 (2016: £96,000). During the year charges of £105,900 (2016: £66,500) were made from M & K Bannister to B & F Potatoes Limited. At the balance sheet date, B & F Potatoes Limited owed £nil (2016: £nil).

b) At the balance sheet date, the directors S.J. Bannister and J.A. Bannister were owed £698 (2016: £1,574) and £11,439 (2016: £25,222) respectively. The loans are unsecured, interest free and technically repayable on demand.

c) During the year the company paid dividends of £67,500 each (2016: £55,000) to S.J. Bannister and J.A. Bannister and their wives.

### 27 Controlling party

The company is held under the joint control of its directors, S.J. Bannister and J.A. Bannister and their wives.



# B & F POTATOES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

### 28 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,336,325	1,014,366
<b>Adjustments for:</b>		
Taxation charged	356,321	203,271
Finance costs	51,544	66,866
Investment income	(480)	(512)
Gain on disposal of tangible fixed assets	(26,629)	(45,021)
Depreciation and impairment of tangible fixed assets	743,113	655,001
Amounts written off investments	172,000	-
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(137,776)	224,346
(Increase) in debtors	(350,782)	(691,639)
Increase in creditors	49,825	354,859
<b>Cash generated from operations</b>	<u>2,193,461</u>	<u>1,781,537</u>