

Financial Statements

Coinstone Limited

For the period ended 27 March 2020



Registered number: 1850620

Coinstone Limited

Company Information

Director	John Lister
Company secretary	David Roberts
Registered number	1850620
Registered office	Shipton Mill Long Newnton Tetbury Gloucestershire GL8 8RP
Independent auditor	Grant Thornton Chartered Accountants & Statutory Auditors 13 - 18 City Quay Dublin 2
Bankers	Handelsbanken 66 Queen Square Bristol BS1 4JP
Solicitors	Burges Salmon Narrow Quay House Narrow Quay Bristol BS1 4AH

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Group Strategic Report

For the period ended 27 March 2020

Introduction

The director has pleasure in presenting the strategic report of the company for the period from 30 March 2019 to 27 March 2020.

Principal activities and business review

The principal activity of the company is that of an investment holding company. The principal activities of the group include flour milling, baking of specialty food, development of advanced fuel technologies hospitality, tourism and agricultural related activities.

The director is satisfied with the trading results for the period which is in line with expectation.

Principal risks and uncertainties

The director considers that the principal risks and uncertainties faced by the group are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation and fluctuations in exchange rates may have an adverse impact on served markets.

Competition risk

The director of the group manages competition risk through close attention to customer service levels.

Financial risk

All key financial figures are monitored on an ongoing basis.

People in our business

The continued success of the group has been achieved by the people working in it. There are many quality members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner.

Brexit

Uncertainty over Brexit is being mitigated via detailed planning that addresses timings, critical paths, responsibilities, resource requirements and interdependence between suppliers and customers. In addition, we are monitoring the regulatory, certification and compliance controls within the industry and assessing tariff impacts on the group, our suppliers and customers. Whilst we are taking steps to be in a position to accelerate our planning, the outcome will be determined by matters and political events outside of our control.

Foreign exchange risk

The group is exposed to some foreign exchange risk in the normal course of business, principally on purchases in US Dollars and Euros. The group regularly reviews exchange risk exposure and seeks to hedge against potential losses using forward exchange contracts where necessary.

Group Strategic Report (continued)

For the period ended 27 March 2020

Financial key performance indicators

The group considers the following measures to be important indicators of the underlying performance of the business:

Operating margin

Operating margin for the group was 3.48% compared with 2.48% in 2019.

Gross margin

Gross margin for the group was 30.30% compared with 29.15% in 2019.

This report was approved by the board on 27 January 2021 and signed on its behalf.



John Lister
Director

Director's Report

For the period ended 27 March 2020

The director presents his report and the financial statements for the period ended 27 March 2020.

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the period, after taxation, amounted to £1,090,605 (2019: £743,645).

The director has not recommended a dividend (2019: £Nil).

Director

The director who served during the period was:

John Lister

Future developments

The director plans to continue its current activities.

Director's Report (continued)

For the period ended 27 March 2020

Political contributions

There were no political contributions made during the financial period.

Engagement with employees

For those group companies with more than 50 employees, senior management engages with local management and employees to keep them informed with regard to company performance, and welcomes feedback and ideas on how performance can be improved.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Post balance sheet events

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Management is closely monitoring the evolution of this pandemic, including how it may affect the group, its staff, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the director notes that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the group is well placed to withstand potential future challenges in this context.

Matters covered in the strategic report

Under Schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008" the group has elected to disclose the following directors report information in the strategic report:

- Principal activities and business review;
- Principal risks and uncertainties;
- Financial key performance indicators; and

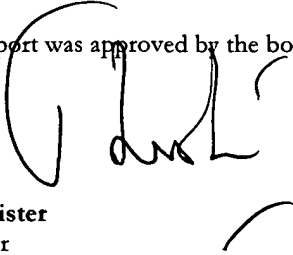
Director's Report (continued)

For the period ended 27 March 2020

Auditor

The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 January 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J Lister', is written over the text 'This report was approved by the board on 27 January 2021 and signed on its behalf.'.

John Lister
Director

Independent Auditor's Report to the Members of Coinstone Limited

Opinion

We have audited the financial statements of Coinstone Limited (the 'parent company') and its subsidiaries (the 'Group'), which comprise the Consolidated Statement of comprehensive income, the Consolidated and company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and company Statement of changes in equity for the financial period ended 27 March 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Coinstone Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Group's and the company as at 27 March 2020 and of the Group financial performance and cash flows for the period then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of Coinstone Limited (continued)

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Director's report and the Strategic Report. The director are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's report and the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Director's report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Director's report and the Strategic Report.

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

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

Independent Auditor's Report to the Members of Coinstone Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group and company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and company's financial reporting process.

Independent Auditor's Report to the Members of Coinstone Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

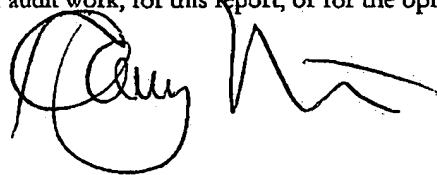
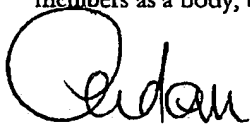
The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion

Independent Auditor's Report to the Members of Coinstone Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Aidan Connaughton
(Senior Statutory Auditor)

for and on behalf of
Grant Thornton

Chartered Accountants
& Statutory Auditors
13-18 City Quay
Dublin 2

27 January 2021

Consolidated Statement of Comprehensive Income

For the period ended 27 March 2020

	Note	2020 £	2019 £
Turnover	4	35,058,089	31,503,699
Cost of sales		(24,434,706)	(22,321,606)
Gross profit		10,623,383	9,182,093
Distribution costs		(1,684,668)	(1,499,766)
Administrative expenses		(8,027,015)	(7,068,942)
Other operating income	5	308,598	166,418
Operating profit	6	1,220,298	779,803
Share of profit of associates		9,149	66,361
Total operating profit		1,229,447	846,164
Profit on disposal of investments		134,945	-
Interest receivable and similar income	9	57,170	46,716
Interest payable and similar expenses	10	(30,100)	(29,547)
Profit before taxation		1,391,462	863,333
Tax on profit	11	(300,857)	(119,688)
Profit for the financial period		1,090,605	743,645
Owners of the parent company		1,090,605	743,645

There was no other comprehensive income for 2020 (2019: £NIL).

All amounts relate to continuing operations.

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Statement of Financial Position

As at 27 March 2020

	Note	27 March 2020 £	29 March 2019 £
Fixed assets			
Intangible Assets	12	239,050	281,489
Tangible assets	13	15,845,782	14,890,998
Investments	14	602,810	608,711
		<u>16,687,642</u>	<u>15,781,198</u>
Current assets			
Stocks	15	1,391,118	1,264,499
Debtors: amounts falling due within one year	16	5,825,677	5,338,877
Cash at bank and in hand	17	7,942,657	7,285,474
		<u>15,159,452</u>	<u>13,888,850</u>
Creditors: amounts falling due within one year	18	(6,753,090)	(5,768,272)
Net current assets		<u>8,406,362</u>	<u>8,120,578</u>
Total assets less current liabilities		<u>25,094,004</u>	<u>23,901,776</u>
Creditors: amounts falling due after more than one year	19	(482,936)	(598,230)
Provisions for liabilities			
Deferred taxation	22	(723,213)	(506,296)
		<u>(723,213)</u>	<u>(506,296)</u>
Net assets		<u>23,887,855</u>	<u>22,797,250</u>
Capital and reserves			
Called up share capital	24	102	102
Share premium account	25	21,235	21,235
Revaluation reserve	25	2,297,745	2,297,745
Profit and loss account	25	21,568,773	20,478,168
Shareholders' funds		<u>23,887,855</u>	<u>22,797,250</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 January 2021.


John Lister
Director

The notes on pages 18 to 43 form part of these financial statements.

Coinstone Limited

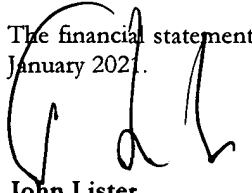
Registered number:1850620

Company Statement of Financial Position

As at 27 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	433,445	433,445
Investments	14	9,064,843	9,079,893
		<u>9,498,288</u>	<u>9,513,338</u>
Current assets			
Debtors: amounts falling due within one year	16	2,575,764	2,766,612
Cash at bank and in hand	17	5,004,350	4,027,535
		<u>7,580,114</u>	<u>6,794,147</u>
Creditors: amounts falling due within one year	18	(3,041,425)	(2,452,302)
Net current assets		<u>4,538,689</u>	<u>4,341,845</u>
Total assets less current liabilities		<u>14,036,977</u>	<u>13,855,183</u>
Net assets		<u><u>14,036,977</u></u>	<u><u>13,855,183</u></u>
Capital and reserves			
Called up share capital	24	102	102
Profit and loss account	25	14,036,875	13,855,081
Shareholders' funds		<u><u>14,036,977</u></u>	<u><u>13,855,183</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 January 2021.


John Lister
Director

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the period ended 27 March 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 31 March 2018	102	21,235	2,297,745	19,734,523	22,053,605
Profit for the period	-	-	-	743,645	743,645
At 30 March 2019	102	21,235	2,297,745	20,478,168	22,797,250
Profit for the period	-	-	-	1,090,605	1,090,605
At 27 March 2020	102	21,235	2,297,745	21,568,773	23,887,855

The notes on pages 18 to 43 form part of these financial statements.

Company Statement of Changes in Equity

For the period ended 27 March 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 31 March 2018	102	12,727,413	12,727,515
Profit for the period	-	1,127,668	1,127,668
At 30 March 2019	102	13,855,081	13,855,183
Profit for the period	-	181,794	181,794
At 27 March 2020	102	14,036,875	14,036,977

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Statement of Cash Flows

For the period ended 27 March 2020

	27 March 2020 £	29 March 2019 £
Cash flows from operating activities		
Profit for the financial period	1,090,605	743,645
Adjustments for:		
Amortisation of intangible assets	42,438	64,067
Depreciation of tangible assets	1,046,023	931,379
Loss / (profit) on disposal of tangible assets	(42,554)	37,979
Interest payable	30,100	29,547
Interest receivable	(57,170)	(46,716)
Taxation charge	300,857	119,688
(Increase) in stocks	(126,619)	(35,786)
(Increase) in debtors	(486,800)	(1,010,824)
Increase in creditors	963,645	824,126
Share of operating profit in associates	(9,149)	(66,361)
Corporation tax (paid)	(73,272)	(139,325)
Profit on disposal of investments	(134,945)	-
Net cash generated from operating activities	2,543,159	1,451,419
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,538,184)	(5,348,825)
Sale of tangible fixed assets	2,579,931	3,944,640
Purchase of investments	(6)	(10,000)
Sale of investments	150,001	-
Interest received	57,170	46,716
HP interest paid	(7,351)	(6,442)
Net cash outflow from investing activities	(1,758,439)	(1,373,911)

Consolidated Statement of Cash Flows (continued)

For the period ended 27 March 2020

	27 March 2020 £	29 March 2019 £
Cash flows from financing activities		
New secured loans	-	720,000
Repayment of loans	(160,000)	-
New / (repayment) of finance leases	56,206	(161,516)
Interest paid	(23,743)	(23,105)
Net cash used in financing activities	(127,537)	535,379
Net increase in cash and cash equivalents	657,183	612,887
Cash and cash equivalents at beginning of period	7,285,474	6,672,587
Cash and cash equivalents at the end of period	7,942,657	7,285,474
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	7,942,657	7,285,474
	7,942,657	7,285,474

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Analysis of Net Debt

For the period ended 27 March 2020

	At 30 March 2019	Cash flows	At 27 March 2020
	£	£	£
Cash at bank and in hand	7,285,474	657,183	7,942,657
Debt due after 1 year	(560,000)	160,000	(400,000)
Debt due within 1 year	(160,000)	-	(160,000)
Finance leases	(104,157)	(56,206)	(160,363)
	<u>6,461,317</u>	<u>760,977</u>	<u>7,222,294</u>

The notes on pages 18 to 43 form part of these financial statements.

Notes to the Financial Statements

For the period ended 27 March 2020

1. General information

Coinstone Limited is a company incorporated in the UK. The principal activity of the company is that of a holding company. The registered office of the company is Long Newton, Tetbury, Gloucester, GL8 8RP, UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notifications of, and no objections to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the Company's cashflow;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18 (c), 26.19, 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.5 Intangible fixed assets and amortisation

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Statement of Financial Position and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill as it is difficult to make projections beyond this period. Goodwill is to be reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value will not be recoverable.

Negative goodwill is capitalised and recognised in the profit and loss account in the periods in which the non-monetary assets are recovered, which is considered to be five years.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Amortisation is provided at the following rates:

Positive goodwill - 10% straight line
Negative goodwill - 20% straight line

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over lease term
Plant and machinery	- 5% - 50% straight line
Equipment	- 20% - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.9 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.18 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.19 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.21 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.22 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.23 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the period ended 27 March 2020

2. Accounting policies (continued)

2.25 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.26 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from three to six years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Notes to the Financial Statements

For the period ended 27 March 2020

3. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Providing allowance for slow-moving and obsolete inventory

Management evaluates the realisability of inventory on a case-by-case basis and make adjustments to inventory provision based on an analysis of the historical usage of the individual inventory items. The group's core business is subject to market changes which may cause inventory obsolescence and is considered a key source of estimation uncertainty.

Allowance for impairment of trade receivables

The group estimates the allowance for doubtful trade receivable based on assessment of specific accounts where the group has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Estimating useful lives of tangible fixed assets

The group estimates the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of tangible fixed assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above. Based on management's assessment as at 27 March 2020 and 29 March 2019, there is no change in the estimated useful lives of tangible assets during those years.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	33,876,609	30,595,136
Europe	1,145,504	860,661
Rest of the world	35,976	47,902
	<u>35,058,089</u>	<u>31,503,699</u>

The whole of the turnover is attributable to the group's principal activities.

5. Other operating income

	2020 £	2019 £
Other operating income	<u>308,598</u>	<u>166,418</u>

Notes to the Financial Statements

For the period ended 27 March 2020

6. Operating profit

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Research & development charged as an expense	1,009	2,394
Depreciation of tangible fixed assets	1,046,023	931,379
Loss/(profit) on disposal of tangible fixed assets	(42,554)	37,979
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	42,000	40,000
Amortisation of intangible assets, including goodwill	42,438	64,067
Exchange differences	5,903	1,143
Operating lease rentals	492,124	161,369
Defined contribution pension cost	108,604	61,042

7. Employees

The average monthly number of employees, including the director, during the period was as follows:

	2020	2019
	No.	No.
Number of production staff	203	159
Number of administrative staff	8	8
Number of management staff	9	9
	220	176

Staff costs, including director remuneration, were as follows:

	27 March 2020	29 March 2019
	£	£
Wages and salaries	5,744,595	4,489,092
Social security costs	529,240	425,983
Cost of defined contribution scheme	108,604	61,042
	6,382,439	4,976,117

Notes to the Financial Statements

For the period ended 27 March 2020

8. Director's remuneration

	27 March 2020 £	29 March 2019 £
Director's emoluments	134,709	90,531
Directors pension costs	3,125	804
	<u>137,834</u>	<u>91,335</u>

During the financial period retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2020 £	2019 £
Bank interest receivable	43,802	25,807
Other interest receivable	13,368	20,909
	<u>57,170</u>	<u>46,716</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	22,026	22,382
Preference share dividends	723	723
Finance leases and hire purchase contracts	7,351	6,442
	<u>30,100</u>	<u>29,547</u>

Notes to the Financial Statements

For the period ended 27 March 2020

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	151,121	168,449
Adjustments in respect of previous periods	(67,181)	(65,370)
Total current tax	83,940	103,079
Deferred tax		
Origination and reversal of timing differences	141,934	3,315
Adjustments in respect of previous periods	22,633	13,294
Effect of tax rate change on opening balance	52,350	-
Total deferred tax	216,917	16,609
Taxation on profit on ordinary activities	300,857	119,688

Factors affecting tax charge for the financial period

The tax assessed for the financial period is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19.25%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,391,462	863,333
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19.25%)	264,378	164,033
Effects of:		
Expenses not deductible for tax purposes	36,023	13,135
Non taxable income	(5,935)	-
Fixed asset timing differences	35,264	17,602
Adjustments to tax charge in respect of prior periods	(44,548)	(52,076)
Other timing differences	68,947	12,609
Unrelieved tax losses carried forward	(53,272)	(35,615)
Total tax charge for the financial period	300,857	119,688

Notes to the Financial Statements

For the period ended 27 March 2020

12. Intangible assets

Group

	Negative goodwill £	Positive goodwill £	Total £
Cost			
At 30 March 2019	(715,708)	1,061,306	345,598
At 27 March 2020	(715,708)	1,061,306	345,598
Amortisation			
At 30 March 2019	(715,708)	779,818	64,110
Charge for the period	-	42,438	42,438
At 27 March 2020	(715,708)	822,256	106,548
Net book value			
At 27 March 2020	-	239,050	239,050
At 29 March 2019	-	281,488	281,488

Notes to the Financial Statements

For the period ended 27 March 2020

13. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Investment property £	Plant and machinery £	Other fixed assets £	Total £
Cost or valuation						
At 30 March 2019	8,720,232	627,810	2,927,756	9,025,471	2,640,143	23,941,412
Additions	-	2,015,143	-	1,606,888	916,153	4,538,184
Disposals	-	(494,613)	(2,500,000)	(1,082,223)	(52,233)	(4,129,069)
Transfers between classes	-	75,139	-	-	(75,139)	-
At 27 March 2020	<u>8,720,232</u>	<u>2,223,479</u>	<u>427,756</u>	<u>9,550,136</u>	<u>3,428,924</u>	<u>24,350,527</u>
Depreciation						
At 30 March 2019	684,094	549,113	-	6,309,800	1,507,407	9,050,414
Charge for the period	135,452	72,425	-	564,973	273,173	1,046,023
Disposals	-	(493,038)	-	(1,046,421)	(52,233)	(1,591,692)
At 27 March 2020	<u>819,546</u>	<u>128,500</u>	<u>-</u>	<u>5,828,352</u>	<u>1,728,347</u>	<u>8,504,745</u>
Net book value						
At 27 March 2020	<u>7,900,686</u>	<u>2,094,979</u>	<u>427,756</u>	<u>3,721,784</u>	<u>1,700,577</u>	<u>15,845,782</u>
At 29 March 2019	<u>8,036,138</u>	<u>78,697</u>	<u>2,927,756</u>	<u>2,715,671</u>	<u>1,132,736</u>	<u>14,890,998</u>

Hire purchase and finance lease agreements

Included within the net book value of £15,845,782 is £259,591 (2019: £228,571) relating to assets held under hire purchase agreements and finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements and finance lease agreements amounted to £60,797 (2019: £105,946).

Revalued assets

The freehold properties were revalued in May 2018 by independent chartered surveyors on the basis of fair value. The director is satisfied that the current carrying value of these properties is not materially different to the market value as at 27 March 2020.

Notes to the Financial Statements

For the period ended 27 March 2020

13. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	27 March 2020 £	29 March 2019 £
Group		
Cost	919,157	919,157
Accumulated depreciation	(431,527)	(411,154)
Net book value	487,630	508,003

Company

	Freehold property £	Investment property £	Total £
Cost or valuation			
At 30 March 2019	5,690	427,755	433,445
At 27 March 2020	5,690	427,755	433,445
Net book value			
At 27 March 2020	5,690	427,755	433,445
At 29 March 2019	5,690	427,755	433,445

Notes to the Financial Statements

For the period ended 27 March 2020

14. Fixed asset investments

Group

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 30 March 2019	443,310	165,401	608,711
Share of profit / additions	9,155	-	9,155
Disposals	-	(15,056)	(15,056)
At 27 March 2020	<u>452,465</u>	<u>150,345</u>	<u>602,810</u>

Company

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 30 March 2019	8,479,974	434,518	165,401	9,079,893
Additions	-	6	-	6
Disposals	-	-	(15,056)	(15,056)
At 27 March 2020	<u>8,479,974</u>	<u>434,524</u>	<u>150,345</u>	<u>9,064,843</u>

Notes to the Financial Statements

For the period ended 27 March 2020

14. Fixed asset investments (continued)

All of the subsidiaries, as listed below, have been consolidated in the group financial statements.

Coinstone Limited holds 20% of the ordinary share capital of Peter's Yard Limited, a company incorporated and registered in England. The company's registered office is 1 Brassey Road, Old Potts Road, Shrewsbury, Shropshire, SY3 7FA and the company's principal activity is building a significant premium bakery brand via wholesale in the UK and abroad. Through its shareholding in Peter's Yard Limited, Coinstone also holds an indirect 20% interest in Peter's Yard Retail Limited and Peter's Yard Wholesale Limited. Coinstone Limited's investment in Peter's Yard Limited would fall to be treated as an associate. The total net associated share of (loss) / profit for all of the Peter's Yard entities to be included within the Coinstone Limited consolidated accounts is £(85,514) (2019: £10,306) and consequently on the basis of immateriality, this has not been included in the consolidated results of Coinstone Limited.

Coinstone Limited holds 44.5% of the ordinary share capital of Savour Café Limited, a company incorporated and registered in England. The company's registered office is 1 Brassey Road, Old Potts Road, Shrewsbury, Shropshire, SY3 7FA and the company's principal activity is food retail in specialised stores. The share of the profit of the associate for the financial period was £9,149 (2019: £66,361) which was recognised as an increase in the investment.

In the opinion of the director, at the balance sheet date, the value of the financial fixed asset investments are not less than their book value noted below.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Shipton Mill Limited	England and Wales	Flour milling	Ordinary	100%
The Celtic Bakers Limited	England and Wales	Bakers of speciality breads	Ordinary	100%
PM Corporation Limited	England and Wales	Bakers of speciality breads	Ordinary	100%
Advanced Fuel Technologies UK Limited	England and Wales	Development of advanced fuel systems	Ordinary	77.7%
Shipinvest Limited	England and Wales	Investment holding company	Ordinary	100%
Shipinvest No 1 Limited (indirect)	England and Wales	Investment holding company	Ordinary	100%
Fingold Limited (indirect)	England and Wales	Investment holding company	Ordinary	100%
Bibury Court Limited (indirect)	England and Wales	Hospitality business and events hosting	Ordinary	100%
The Heath Street Bakehouse Limited (indirect)	England and Wales	Bakers	Ordinary	100%

The registered office of all of the subsidiary undertakings listed above is Long Newnton, Tetbury, Gloucestershire, GL8 8RP.

Notes to the Financial Statements

For the period ended 27 March 2020

14. Fixed asset investments (continued)

Associates

The following were associates of the company:

Name	Registered office	Class of shares	Holding
Peter's Yard Limited	Premium bakery	Ordinary	20%
Savour Café Limited	Specialist food retail	Ordinary	45%

All associates are incorporated in England.

15. Stocks

	Group 27 March 2020 £	Group 29 March 2019 £
Raw materials and consumables	769,741	620,559
Finished goods and goods for resale	621,377	643,940
	<u>1,391,118</u>	<u>1,264,499</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Notes to the Financial Statements

For the period ended 27 March 2020

16. Debtors

	Group 27 March 2020 £	Group 29 March 2019 £	Company 27 March 2020 £	Company 29 March 2019 £
Trade debtors	3,997,867	3,969,382	-	-
Amounts owed by group undertakings	-	-	2,330,811	2,490,391
Amounts owed by related party undertakings	152,479	107,745	-	-
Other debtors	813,360	792,473	215,935	252,968
VAT repayable	184,133	83,400	-	-
Prepayments and accrued income	567,486	385,877	2,777	100
Grants receivable	110,352	-	-	-
Deferred taxation	-	-	26,241	23,153
	<u>5,825,677</u>	<u>5,338,877</u>	<u>2,575,764</u>	<u>2,766,612</u>

Amounts owed by group undertaking are unsecured, interest free and repayable on demand, except those which are considered financing in nature; such loans have a market rate of interest applied and are classified as non-current where repayment is greater than one year.

17. Cash and cash equivalents

	Group 27 March 2020 £	Group 29 March 2019 £	Company 27 March 2020 £	Company 29 March 2019 £
Cash at bank and in hand	<u>7,942,657</u>	<u>7,285,474</u>	<u>5,004,350</u>	<u>4,027,535</u>

Notes to the Financial Statements

For the period ended 27 March 2020

18. Creditors: Amounts falling due within one year

	Group 27 March 2020 £	Group 29 March 2019 £	Company 27 March 2020 £	Company 29 March 2019 £
Bank loans	160,000	160,000	-	-
Trade creditors	4,501,773	4,246,377	1,601,999	1,515,226
Amounts owed to group undertakings	-	-	1,435,946	811,297
Corporation tax	156,147	145,479	3,480	54,877
Other taxation and social security	136,674	125,972	-	566
Obligations under finance lease and hire purchase contracts	84,659	72,381	-	-
Dividends payable	-	67,583	-	67,583
Other creditors	144,891	29,324	-	1,883
Accruals and deferred income	1,568,946	921,156	-	870
	6,753,090	5,768,272	3,041,425	2,452,302

Amounts owed to group undertakings are unsecured, interest free and repayable on demand, except those which are considered financing in nature; such loans have a market rate of interest applied.

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Secured loans

The bank loans are secured by way of a first legal charge over the Land and Buildings North Side of Bridge Road, Frampton on Severn; a first legal charge over Shipton Mill, Long Newton, Tetbury and its associated assets; and a debenture over the borrower's entire assets and undertakings.

The hire purchase and finance leases obligations are secured over the assets to which they relate.

19. Creditors: Amounts falling due after more than one year

	Group 27 March 2020 £	Group 29 March 2019 £
Bank loans	400,000	560,000
Net obligations under finance leases and hire purchase contracts	75,704	31,776
Accruals and deferred income	7,232	6,454
	482,936	598,230

Notes to the Financial Statements

For the period ended 27 March 2020

20. Loans

Analysis of the maturity of loans is given below:

	Group 27 March 2020 £	Group 29 March 2019 £
Amounts falling due within one year		
Bank loans	160,000	160,000
	<u>160,000</u>	<u>160,000</u>
Amounts falling due after more than one year		
Bank loans	400,000	560,000
	<u>400,000</u>	<u>560,000</u>
Total	<u>560,000</u>	<u>720,000</u>

21. Hire purchases and finance leases

Minimum lease payments under hire purchase and finance leases fall due as follows:

	Group 27 March 2020 £	Group 29 March 2019 £
Within one year	84,659	72,381
Between 1-5 years	75,704	31,776
	<u>160,363</u>	<u>104,157</u>

22. Deferred taxation

Group deferred tax liability

	2020 £
At beginning of year	(506,296)
Charged to the profit or loss	(216,917)
At end of year	<u>(723,213)</u>

Notes to the Financial Statements

For the period ended 27 March 2020

22. Deferred taxation (continued)**Company deferred tax asset**

	2020			
	£			
At beginning of year				23,153
Charged to profit or loss				3,088
At end of year				26,241
	Group	Group	Company	Company
	27 March	29 March	27 March	29 March
	2020	2019	2020	2019
	£	£	£	£
Fixed asset timing differences	(583,582)	(379,067)	-	(326)
Tax losses carried forward	9,425	6,276	-	-
Deferred capital gains	(194,230)	(173,786)	-	-
Short term timing differences	45,174	40,281	26,241	23,479
	(723,213)	(506,296)	26,241	23,153

23. Financial instruments

	Group	Group
	27 March	29 March
	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	8,093,002	7,450,875
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	14,157	14,157

Financial assets measured at fair value comprise cash at bank and in hand.

Financial liabilities measured at fair value comprise forward currency contracts.

24. Share capital

	27 March	29 March
	2020	2019
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		

Notes to the Financial Statements

For the period ended 27 March 2020

24. Share capital (continued)

2 (2019 - 2) 'A' shares of £1.00 each	2	2
100 (2019 - 100) 'B' shares of £1.00 each	100	100
	<hr/>	<hr/>
	102	102
	<hr/>	<hr/>

25. Reserves

Revaluation reserve

Represents the cumulative difference between the fair value and the net book value of the company's freehold property.

Profit and loss account

Represents all current and prior period retained profits and losses.

Called-up share capital

Represents the nominal value of shares that have been issued.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

26. Contingent liabilities

Handelsbanken Bristol holds letters of guarantee in favour of HM Customs and Excise and the Rural Payments Agency to the value of £72,500 (2019: £72,500).

27. Capital commitments

At 27 March 2020, the group had capital commitments for assets under construction of £1,643,383 (2019: £Nil).

28. Pension commitments

The group operates a defined contribution scheme. At the year end, included in the financial statements, there was £20,914 (2019: £12,002) amounts outstanding.

Notes to the Financial Statements

For the period ended 27 March 2020

29. Commitments under operating leases

At 27 March 2020 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 27 March 2020 £	Group 29 March 2019 £
Not later than 1 year	409,175	-
Later than 1 year and not later than 5 years	1,968,566	-
Later than 5 years	4,558,407	-
	<u>6,936,148</u>	<u>-</u>

30. Other financial commitments

At 27 March 2020, the group had use of forward currency contracts in the normal course of business to hedge exchange risk on anticipated foreign currency payments. At the year end the group has committed to contracts, which are denominated in Euro and US dollar, to the value of £1,540,034 (2019: £516,620). A fair value loss on revaluation of £14,157 (2019: £14,157) at the balance sheet date is included within other creditors.

31. Post balance sheet events

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Management is closely monitoring the evolution of this pandemic, including how it may affect the group, its staff, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the director notes that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the group is well placed to withstand potential future challenges in this context.

32. Parent Company profit for the period

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the financial period was £181,794 (2019 - £1,127,668).

Notes to the Financial Statements

For the period ended 27 March 2020

33. Related party transactions

The group has availed of the exemptions in FRS102 Section 33, Paragraph 33.1A which allows non disclosure of transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the period Coinstone Limited charged interest of £2,777 (2019: £2,777) to Advance Fuel Technologies Limited, in respect of preference share dividends. At 27 March 2020, included in amounts owed by group undertakings is an amount owing by Advance Fuel Technologies of £Nil (2019: £2,777) in respect of the interest charges.

At 27 March 2020, included in the amounts owed by associated undertakings is an amount owing by Peter's Yard Wholesale Limited, an entity under common interest with the parent company of £151,030 (2019: £104,992). The balance arose due to total sales and recharges of £1,696,427 (2019: £1,598,482) incurred during the period.

At 27 March 2020, included in the amounts owed by related party undertaking is an amount owing by Saviour Cafe Limited, an entity under common interest with the parent company of £1,449 (2019: £2,753). The balance arose due to total sales and recharges of £37,193 (2019: £34,172) incurred during the period.

At 27 March 2020, included within other debtors is an amount owed by John Lister, director of the company, of £374 (2019: £Nil). Included in other income for the year is £2,700 (2019: £2,700) payable by John Lister in respect of rent.

34. Comparative information

Comparative information has been reclassified where necessary to confirm current financial period presentation.

35. Controlling party

The ultimate controlling party is the Shipton Mill Settlement Trust 2001.

36. Approval of financial statements

The board of directors approved these financial statements for issue on 27 January 2021.