

Registered number: 02665660

**BURTS POTATO CHIPS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2016**



# **BURTS POTATO CHIPS LIMITED**

## **COMPANY INFORMATION**

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### **DIRECTORS**

Mr D Nairn  
Mr Y Patel  
Mr M Cosby  
Mr T Kelly  
Mr S Knight  
Mr J Joseph

### **COMPANY SECRETARY**

Mr M Cosby

### **REGISTERED NUMBER**

02665660

### **REGISTERED OFFICE**

The Klamp House  
Belliver Way  
Roborough  
Devon  
PL6 7BP

### **INDEPENDENT AUDITORS**

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

### **BANKERS**

Barclays Bank PLC  
140-146 Armada Way  
Plymouth  
Devon  
PL1 1LA

## **BURTS POTATO CHIPS LIMITED**

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## **BURTS POTATO CHIPS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

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#### **INTRODUCTION**

The directors present their report and the financial statements for the shortened period of 9 months ended 31 December 2016, so the comparatives will not be entirely comparable. The period was shortened following the hive-up of the operating company into the holding company on 31 March 2016 to return to a reporting year ended 31 December.

#### **BUSINESS REVIEW**

There have been no changes in the activities in the period under review and the Group continues to engage in the manufacture of hand-cooked crisps and extruded products. Burt's Potato Chips continues to score highest in terms of quality and tastiness and seeks to be the brand of choice in the premium brand segment.

Turnover, net of discounts and promotional costs for the period was £19,689,100. Like for like sales for the whole of 2016 were 25% ahead year on year.

The termination of our Export distribution agreement finally concluded at the end of 2015 and this is a key focus for the business ongoing with notable listings in Canada and USA.

The Group returned a record profit after tax of £690,869. During the period we again invested in additional capacity and improved efficiency throughout the factory however there were unforeseen delays during the installation caused by a contracted fabricator going into Administration failing to deliver strategic pieces of machinery.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group has no exposure to exchange risk as all its export business is sold sterling. Commodity risk is minimized by entering into fixed price contracts for potatoes and has contracted oil forward for the whole of 2016.

Credit risk is closely managed with a rigorous 365-day credit process of all Trade debtors and new Account opening procedures. Regular credit reviews are undertaken.

The Group monitors cash flow closely and reviews manufacturing projections on a weekly basis.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The Group considers EBITDA to be a key performance indicator, which has increased from £1,385,859 to £1,688,526. The business also measures financial performance with regard to material usage and labour efficiency against budget objectives on a regular basis.

#### **OTHER KEY PERFORMANCE INDICATORS**

The business also measures performance in the areas of safety, quality and customers service against set targets on a regular basis.

This report was approved by the board on *12<sup>th</sup> April 2017* and signed on its behalf.



**Mr. D Nairn**  
Director

## **BURTS POTATO CHIPS LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the period ended 31 December 2016.

#### **RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £690,869 (2016:£323,522).

#### **DIRECTORS**

The directors who served during the period were:

Mr D Nairn  
Mr Y Patel  
Mr M Cosby  
Mr T Kelly  
Mr S Knight  
Mr J Joseph

#### **FUTURE DEVELOPMENTS**

The company forecast indicates that business will continue to perform at a rate consistent with the current results.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director 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 auditors are aware of that information.

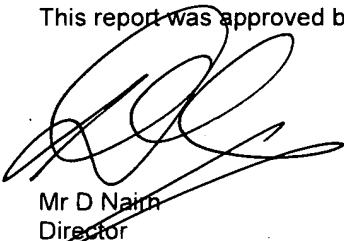
#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Group since the period end.

#### **AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Mr D Nairn  
Director

Date:

12<sup>th</sup> April 2017

The Klamp House  
Belliver Way  
Roborough  
Devon  
PL6 7BP

## **BURTS POTATO CHIPS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016**

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The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **BURTS POTATO CHIPS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURTS POTATO CHIPS LIMITED**

We have audited the financial statements of Burts Potato Chips Limited for the period ended 31 December 2016, set out on pages 6 to 34. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 Auditors' 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 AUDITORS**

As explained more fully in the Directors' Responsibilities Statement 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 Financial Reporting Council'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 Group's and the parent 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 Group Strategic Report and the Directors' 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 Group's and the parent company's affairs as at 31 December 2016 and of the Group's profit or loss for the period 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.

**BURTS POTATO CHIPS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURTS POTATO CHIPS LIMITED  
(CONTINUED)**

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**OPINION ON OTHER MATTER 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

**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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Bishop Fleming LLP.*

Robert Davey FCA (Senior statutory auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

19 April 2017



**BURTS POTATO CHIPS LIMITED****CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Note	9 months ended 31 December 2016 £	15 months ended 31 March 2016 £
Turnover	4	19,689,100	24,680,395
Cost of sales		(14,212,232)	(18,088,665)
<b>GROSS PROFIT</b>		<b>5,476,868</b>	<b>6,591,730</b>
Administrative expenses		(4,458,911)	(5,957,720)
<b>OPERATING PROFIT</b>	5	<b>1,017,957</b>	<b>634,010</b>
Interest receivable and similar income		-	(20,168)
Interest payable and similar expenses	9	(144,542)	(180,179)
<b>PROFIT BEFORE TAX</b>		<b>873,415</b>	<b>433,663</b>
Tax on profit	10	(182,546)	(110,141)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>690,869</b>	<b>323,522</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the parent		690,869	323,522
<b>Total comprehensive income</b>		<b>690,869</b>	<b>323,522</b>

There were no recognised gains and losses for 2016 or 2016 other than those included in the consolidated income statement.

The notes on pages 11 to 34 form part of these financial statements.

**BURTS POTATO CHIPS LIMITED**  
**REGISTERED NUMBER:02665660**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	31 December 2016 £	31 March 2016 £
<b>FIXED ASSETS</b>			
Intangible assets	12	219,261	263,356
Tangible assets	13	7,829,629	5,062,213
		<b>8,048,890</b>	<b>5,325,569</b>
<b>CURRENT ASSETS</b>			
Stocks	15	1,930,532	1,766,912
Debtors	16	5,792,155	5,095,869
Cash at bank and in hand		711,796	479,195
		<b>8,434,483</b>	<b>7,341,976</b>
Creditors: amounts falling due within one year	17	(14,502,159)	(10,185,126)
<b>NET CURRENT LIABILITIES</b>		<b>(6,067,676)</b>	<b>(2,843,150)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,981,214</b>	<b>2,482,419</b>
Creditors: amounts falling due after more than one year	18	(1,118,260)	(2,310,334)
<b>NET ASSETS</b>		<b>862,954</b>	<b>172,085</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	214,394	214,394
Profit and loss account	24	648,560	(42,309)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>862,954</b>	<b>172,085</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Mr D Nairn**  
 Director

Date:

12<sup>th</sup> April 2017

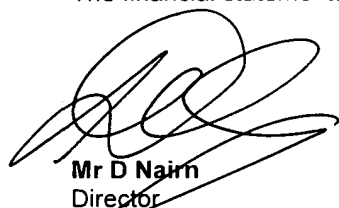
The notes on pages 11 to 34 form part of these financial statements.

**BURTS POTATO CHIPS LIMITED**  
**REGISTERED NUMBER:02665660**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	31 December 2016 £	31 March 2016 £
<b>FIXED ASSETS</b>			
Intangible assets	12	219,261	263,356
Tangible assets	13	7,829,629	5,062,213
Investments	14	100	100
		<u>8,048,990</u>	<u>5,325,669</u>
<b>CURRENT ASSETS</b>			
Stocks	15	1,930,532	1,766,912
Debtors	16	5,792,155	5,095,869
Cash at bank and in hand		711,696	479,095
		<u>8,434,383</u>	<u>7,341,876</u>
Creditors: amounts falling due within one year	17	(14,502,159)	(10,185,126)
<b>NET CURRENT LIABILITIES</b>		<u>(6,067,776)</u>	<u>(2,843,250)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,981,214</u>	<u>2,482,419</u>
Creditors: amounts falling due after more than one year	18	(1,118,260)	(2,310,334)
<b>NET ASSETS</b>		<u>862,954</u>	<u>172,085</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	214,394	214,394
Profit and loss account	24	648,560	(42,309)
		<u>862,954</u>	<u>172,085</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Mr D Nairn**  
 Director

Date:

*12th April 2017*

The notes on pages 11 to 34 form part of these financial statements.

**BURTS POTATO CHIPS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2015</b>	<b>206,894</b>	<b>3,068,106</b>	<b>(3,741,437)</b>	<b>(466,437)</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Profit for the period	-	-	323,522	323,522
Shares issued during the period	7,500	307,500	-	315,000
Transfer to/from profit and loss account	-	(3,375,606)	3,375,606	-
<b>At 1 April 2016</b>	<b>214,394</b>	<b>-</b>	<b>(42,309)</b>	<b>172,085</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Profit for the period	-	-	690,869	690,869
<b>AT 31 DECEMBER 2016</b>	<b>214,394</b>	<b>-</b>	<b>648,560</b>	<b>862,954</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2015</b>	<b>206,894</b>	<b>3,068,106</b>	<b>(645,803)</b>	<b>2,629,197</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Loss for the period	-	-	(2,772,112)	(2,772,112)
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>				
Shares issued during the period	7,500	307,500	-	315,000
Transfer to/from profit and loss account	-	(3,375,606)	3,375,606	-
<b>At 1 April 2016</b>	<b>214,394</b>	<b>-</b>	<b>(42,309)</b>	<b>172,085</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Profit for the period	-	-	690,869	690,869
<b>AT 31 DECEMBER 2016</b>	<b>214,394</b>	<b>-</b>	<b>648,560</b>	<b>862,954</b>

**BURTS POTATO CHIPS LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b>31 December 2016 £</b>	<b>31 March 2016 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial period	<b>690,869</b>	323,522
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	<b>44,094</b>	78,619
Depreciation of tangible assets	<b>627,500</b>	786,602
Loss on disposal of tangible assets	<b>3,835</b>	(1,798)
Interest paid	<b>73,884</b>	86,975
Taxation charge	<b>182,546</b>	110,141
(Increase) in stocks	<b>(163,620)</b>	(557,743)
(Increase) in debtors	<b>(883,288)</b>	(1,447,932)
Increase in creditors	<b>2,209,917</b>	1,595,509
Increase in amounts owed to participating interests	<b>539,103</b>	991,959
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>3,324,840</b>	1,965,854
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	-	(21,215)
Purchase of tangible fixed assets	<b>(3,463,226)</b>	(2,259,272)
Sale of tangible fixed assets	<b>64,476</b>	1,798
HP interest paid	<b>(46,765)</b>	(410)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(3,445,515)</b>	(2,279,099)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New secured loans	<b>24,154</b>	-
Repayment of loans	-	(359,660)
Repayment of/new finance leases	<b>355,481</b>	1,021,250
Interest paid	<b>(27,119)</b>	(86,565)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>352,516</b>	575,025
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>231,841</b>	261,780
Cash and cash equivalents at beginning of period	<b>479,195</b>	217,415
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>711,036</b>	479,195
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:</b>		
Cash at bank and in hand	<b>711,796</b>	479,195
Bank overdrafts	<b>(760)</b>	-
	<b>711,036</b>	479,195

## **BURTS POTATO CHIPS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016**

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#### **1. GENERAL INFORMATION**

Burts Potato Chips Limited is a Limited Company, incorporated in England. During the period, the principal activity of the Company was that of a potato chip producer.

#### **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 judgement in applying the Group's accounting policies (see note 3).

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 Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

##### **2.3 GOING CONCERN**

As at 31 December 2016, the Group has net current liabilities of £6,067,676 (31 March 2016: £2,843,150). Funding from related parties is shown within current liabilities as this is the correct treatment in line with the legal contract however a deed of postponement is in place with the company bankers to confirm that any bank debt is repaid prior to the related party debt.

The Group has made a profit of £690,869 (period to 31 March 2016: £323,522) and has net assets at 31 December 2016 of £862,954 (as at 31 March 2016: £172,085). The directors consider the going concern basis of preparation to be appropriate based on the forecasted profits and the continued support of the directors and shareholders.

## BURTS POTATO CHIPS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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#### 2. ACCOUNTING POLICIES (continued)

##### 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.

##### 2.5 INTANGIBLE ASSETS

###### GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated income statement over its useful economic life.

###### OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website	-	3 years straight line
Goodwill	-	4.75 years straight line

## BURTS POTATO CHIPS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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#### 2. ACCOUNTING POLICIES (continued)

##### 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- over term of lease
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% straight line
Office equipment	- 10% reducing balance
Computer equipment	- 25% straight line
Assets under construction	- No depreciation until completed

##### 2.7 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 income statement 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 profit or loss for the period.

##### 2.8 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 profit or loss.

##### 2.9 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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**2. ACCOUNTING POLICIES (continued)**

**2.10 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.

**2.11 FINANCIAL INSTRUMENTS**

The Group only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 income statement.

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.

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.

**2.12 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.

**2. ACCOUNTING POLICIES (continued)**

**2.13 OPERATING LEASES: THE GROUP AS LESSEE**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.14 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 the Consolidated income statement 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 income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated income statement within 'other operating income'.

**2.15 FINANCE COSTS**

Finance costs are charged to the Consolidated income statement 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.

**2.16 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 income statement 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.

## **BURTS POTATO CHIPS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016**

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#### **2. ACCOUNTING POLICIES (continued)**

##### **2.17 INTEREST INCOME**

Interest income is recognised in the Consolidated income statement using the effective interest method.

##### **2.18 BORROWING COSTS**

All borrowing costs are recognised in the Consolidated income statement in the period in which they are incurred.

##### **2.19 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 the Consolidated income statement 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.

##### **2.20 CURRENT AND DEFERRED TAXATION**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated income statement, 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 corporation 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.

## BURTS POTATO CHIPS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors are of the opinion that there are no judgements, estimates or assumptions that have a material impact on the financial statements.

#### 4. TURNOVER

Analysis of turnover by country of destination:

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
United Kingdom	<b>18,527,675</b>	23,196,179
Rest of Europe	<b>345,363</b>	768,044
Rest of the world	<b>816,062</b>	716,172
	<b><u>19,689,100</u></b>	<b><u>24,680,395</u></b>

All material business activities are related to the manufacture of crisps and therefore the Group operates in a single market segment.

**BURTS POTATO CHIPS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016****5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Depreciation of tangible fixed assets	<b>627,499</b>	786,602
Amortisation of intangible assets, including goodwill	<b>44,095</b>	78,619
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	<b>10,350</b>	10,350
<b>Fees payable to the Group's auditors and its associate for other services to the group:</b>		
- Taxation compliance services	<b>2,500</b>	2,500
- Other services	<b>5,150</b>	4,000
Exchange differences	<b>4,852</b>	420
Other operating lease rentals	<b>369,863</b>	366,622
Defined contribution pension cost	<b>115,496</b>	151,612

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**6. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Wages and salaries	<b>3,683,101</b>	4,991,506
Social security costs	<b>276,343</b>	49,840
Cost of defined contribution scheme	<b>115,496</b>	151,612
	<b><u>4,074,940</u></b>	<b><u>5,192,958</u></b>

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

	<b>9 months ended 31 December 2016 No.</b>	<b>15 months ended 31 March 2016 No.</b>
Directors	<b>6</b>	3
Production	<b>112</b>	89
Administration	<b>33</b>	26
	<b><u>151</u></b>	<b><u>118</u></b>

**7. DIRECTORS' REMUNERATION**

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Directors' emoluments (including amounts paid to third parties in respect of directors' services)	<b><u>385,791</u></b>	<b><u>586,427</u></b>

The highest paid director received remuneration of £118,303 (Period to March 2016: £169,097).

The directors and key management personnel are one and the same.

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**8. INTEREST RECEIVABLE**

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Other interest receivable	-	(20,168)
	<u>-</u>	<u>(20,168)</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Bank interest payable	875	19,741
Other interest payable	26,244	46,656
Finance leases and hire purchase contracts	46,765	410
Interest payable on factored debts	70,658	113,372
	<u>144,542</u>	<u>180,179</u>

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**10. TAXATION**

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
<b>CORPORATION TAX</b>		
Adjustments in respect of previous periods	<b>(4,456)</b>	-
	<b>(4,456)</b>	-
<b>TOTAL CURRENT TAX</b>	<b>(4,456)</b>	-
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>187,002</b>	66,326
Changes to tax rates	-	43,815
<b>TOTAL DEFERRED TAX</b>	<b>187,002</b>	110,141
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>182,546</b>	110,141



**BURTS POTATO CHIPS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016****10. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the period is higher than (2016:higher than) the standard rate of corporation tax in the UK of 20% (2016:20.2%). The differences are explained below:

	<b>9 months ended 31 December 2016 £</b>	<b>15 months ended 31 March 2016 £</b>
Profit on ordinary activities before tax	<b>873,415</b>	433,663
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016:20.2%)	<b>174,683</b>	87,600
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>12,412</b>	-
Capital allowances for period in excess of depreciation	<b>27,219</b>	-
Adjustments to tax charge in respect of prior periods	<b>(4,456)</b>	-
Adjustments in respect of a change in tax rates	<b>(32,165)</b>	-
Other differences leading to an increase in the tax charge	<b>4,853</b>	22,541
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>182,546</b>	110,141

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**11. PARENT COMPANY PROFIT FOR THE YEAR**

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The profit after tax of the parent company for the period was £690,869 (period to 31 March 2016: loss £2,772,112).

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**12. INTANGIBLE ASSETS**

**Group**

	<b>Website £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>			
At 1 April 2016	39,765	1,247,428	1,287,193
At 31 December 2016	39,765	1,247,428	1,287,193
<b>AMORTISATION</b>			
At 1 April 2016	22,086	1,001,751	1,023,837
Charge for the year	5,304	38,791	44,095
At 31 December 2016	27,390	1,040,542	1,067,932
<b>NET BOOK VALUE</b>			
At 31 December 2016	12,375	206,886	219,261
At 31 March 2016	17,679	245,677	263,356

**Company**

	<b>Website £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>			
At 1 April 2016	17,679	245,677	263,356
At 31 December 2016	17,679	245,677	263,356
<b>AMORTISATION</b>			
At 1 April 2016	-	-	-
Charge for the year	5,304	38,791	44,095
At 31 December 2016	5,304	38,791	44,095
<b>NET BOOK VALUE</b>			
At 31 December 2016	12,375	206,886	219,261
At 31 March 2016	17,679	245,677	263,356

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**13. TANGIBLE FIXED ASSETS**

**Group**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Assets under construction £	Total £
<b>COST OR VALUATION</b>							
At 1 April 2016	686,279	6,673,846	41,190	74,545	433,048	660,517	8,569,425
Additions	147,800	1,449	-	6,999	14,378	3,292,600	3,463,226
Disposals	-	(118,754)	-	-	-	-	(118,754)
Transfers between classes	809,545	2,534,048	-	-	40,595	(3,384,188)	-
At 31 December 2016	<u>1,643,624</u>	<u>9,090,589</u>	<u>41,190</u>	<u>81,544</u>	<u>488,021</u>	<u>568,929</u>	<u>11,913,897</u>
<b>DEPRECIATION</b>							
At 1 April 2016	313,964	2,774,488	28,318	41,181	349,261	-	3,507,212
Charge for the period on owned assets	53,615	306,942	7,714	2,717	41,104	-	412,092
Charge for the period on financed assets	-	215,407	-	-	-	-	215,407
Disposals	-	(50,443)	-	-	-	-	(50,443)
At 31 December 2016	<u>367,579</u>	<u>3,246,394</u>	<u>36,032</u>	<u>43,898</u>	<u>390,365</u>	<u>-</u>	<u>4,084,268</u>
<b>NET BOOK VALUE</b>							
At 31 December 2016	<u>1,276,045</u>	<u>5,844,195</u>	<u>5,158</u>	<u>37,646</u>	<u>97,656</u>	<u>568,929</u>	<u>7,829,629</u>
At 31 March 2016	<u>372,315</u>	<u>3,899,358</u>	<u>12,872</u>	<u>33,364</u>	<u>83,787</u>	<u>660,517</u>	<u>5,062,213</u>

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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**13. TANGIBLE FIXED ASSETS (CONTINUED)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>31 December 2016 £</b>	<b>31 March 2016 £</b>
Plant and machinery	<b><u>2,112,482</u></b>	<b><u>1,143,408</u></b>

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**Company**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Assets under construction £	Total £
<b>COST OR VALUATION</b>							
At 1 April 2016	372,315	3,899,358	12,872	33,364	83,787	560,517	5,062,213
Additions	147,800	1,449	-	6,999	14,378	3,292,600	3,463,226
Disposals	-	(118,754)	-	-	-	-	(118,754)
Transfers between classes	809,545	2,534,048	-	-	40,595	(3,384,188)	-
At 31 December 2016	1,329,660	6,316,101	12,872	40,363	138,760	568,929	8,406,685
<b>DEPRECIATION</b>							
At 1 April 2016	-	-	-	-	-	-	-
Charge for the period on owned assets	53,615	306,942	7,714	2,717	41,104	-	412,092
Charge for the period on financed assets	-	215,407	-	-	-	-	215,407
Disposals	-	(50,443)	-	-	-	-	(50,443)
At 31 December 2016	53,615	471,906	7,714	2,717	41,104	-	577,056
<b>NET BOOK VALUE</b>							
At 31 December 2016	1,276,045	5,844,195	5,158	37,646	97,656	568,929	7,829,629
At 31 March 2016	372,315	3,899,358	12,872	33,364	83,787	660,517	5,062,213

## BURTS POTATO CHIPS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

#### 14. FIXED ASSET INVESTMENTS

##### SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Burts Chips Limited	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves
	£
Burts Chips Limited	100

The subsidiary was dormant during the period and therefore generated £Nil profit/loss.

The subsidiary is exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of section 479A.

##### Company

	Investments in subsidiary companies £
At 1 April 2016	1,342,665
At 31 December 2016	1,342,665

##### IMPAIRMENT

At 1 April 2016	1,342,565
At 31 December 2016	1,342,565

##### NET BOOK VALUE

At 31 December 2016	100
At 31 March 2016	100

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**15. STOCKS**

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
Raw materials and consumables	<b>1,240,209</b>	973,467	<b>1,240,209</b>	973,467
Finished goods and goods for resale	<b>690,323</b>	793,445	<b>690,323</b>	793,445
	<b><u>1,930,532</u></b>	<u>1,766,912</u>	<b><u>1,930,532</u></b>	<u>1,766,912</u>

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

**16. DEBTORS**

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
Trade debtors	<b>5,482,018</b>	4,632,689	<b>5,482,018</b>	4,632,689
Other debtors	<b>458</b>	3,942	<b>458</b>	3,942
Prepayments and accrued income	<b>168,669</b>	131,226	<b>168,669</b>	131,226
Deferred taxation	<b>141,010</b>	328,012	<b>141,010</b>	328,012
	<b><u>5,792,155</u></b>	<u>5,095,869</u>	<b><u>5,792,155</u></b>	<u>5,095,869</u>

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
Bank overdrafts	760	-	760	-
Bank loans and invoice discounting	3,785,476	3,851,664	3,785,476	3,851,664
Trade creditors	4,300,878	2,307,336	4,300,878	2,307,336
Amounts owed to other participating interests	4,565,687	2,550,000	4,565,687	2,550,000
Other taxation and social security	506,453	429,155	506,453	429,155
Obligations under finance lease and hire purchase contracts	473,820	312,507	473,820	312,507
Other creditors	15,335	80,575	15,335	80,575
Accruals and deferred income	853,750	653,889	853,750	653,889
	<b>14,502,159</b>	<b>10,185,126</b>	<b>14,502,159</b>	<b>10,185,126</b>

The liabilities categorised as bank overdrafts, bank loans and invoice discounting and finance lease and hire purchase contracts are secured against the assets to which they relate.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
Bank loans	90,342	-	90,342	-
Net obligations under finance leases and hire purchase contracts	1,027,918	833,750	1,027,918	833,750
Amounts owed to other participating interests	-	1,476,584	-	1,476,584
	<b>1,118,260</b>	<b>2,310,334</b>	<b>1,118,260</b>	<b>2,310,334</b>

The liabilities categorised as bank loans, finance lease and hire purchase contracts are secured against the assets to which they relate.



**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**19. LOANS**

At the period end, there is a mortgage loan, which is repayable by installments, carrying an interest rate of 2.95% above the base rate.

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Bank loans	<b>3,785,476</b>	3,851,664	<b>3,785,476</b>	3,851,664
	<b>3,785,476</b>	3,851,664	<b>3,785,476</b>	3,851,664
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>				
Bank loans	<b>12,426</b>	-	<b>12,426</b>	-
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>				
Bank loans	<b>77,916</b>	-	<b>77,916</b>	-
	<b>3,875,818</b>	3,851,664	<b>3,875,818</b>	3,851,664

**20. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
Within one year	<b>473,820</b>	234,375	<b>473,820</b>	234,375
Between 1-2 years	<b>473,820</b>	911,875	<b>473,820</b>	911,875
Between 2-5 years	<b>554,098</b>	-	<b>554,098</b>	-
	<b>1,501,738</b>	1,146,250	<b>1,501,738</b>	1,146,250

**BURTS POTATO CHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**21. FINANCIAL INSTRUMENTS**

	<b>Group 31 December 2016 £</b>	<b>Group 31 March 2016 £</b>	<b>Company 31 December 2016 £</b>	<b>Company 31 March 2016 £</b>
<b>FINANCIAL ASSETS</b>				
Financial assets measured at fair value through profit or loss	<b>711,796</b>	479,195	<b>711,696</b>	479,095
Financial assets that are debt instruments measured at amortised cost	<b>5,489,577</b>	4,636,631	<b>5,489,577</b>	4,636,631
	<b><u>6,201,373</u></b>	<u>5,115,826</u>	<b><u>6,201,273</u></b>	<u>5,115,726</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<b>(15,620,419)</b>	(12,495,460)	<b>(15,620,419)</b>	(12,495,460)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade receivables, other receivables and accrued income.

Financial liabilities measured at amortised cost comprise of total creditors excluding deferred income, corporation tax and deferred tax.

# BURTS POTATO CHIPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### 22. DEFERRED TAXATION

#### Group

	2016 £
At beginning of year	328,012
Charged to profit or loss	(187,002)
<b>AT END OF YEAR</b>	<b>141,010</b>

The deferred tax asset is made up as follows:

	Group 31 December 2016 £	Group 31 March 2016 £	Company 31 December 2016 £	Company 31 March 2016 £
Fixed asset timing differences	(363,224)	(279,900)	(363,224)	(279,900)
Tax losses carried forward	502,109	605,895	502,109	605,895
Short term timing differences	2,125	2,017	2,125	2,017
	<b>141,010</b>	<b>328,012</b>	<b>141,010</b>	<b>328,012</b>

### 23. SHARE CAPITAL

	31 December 2016 £	31 March 2016 £
<b>SHARES CLASSIFIED AS EQUITY</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
16,264,614 A Ordinary shares of £0.01 each	162,646	162,646
4,947,000 C Ordinary shares of £0.01 each	49,470	49,470
227,827 D Ordinary shares of £0.01 each	2,278	2,278
	<b>214,394</b>	<b>214,394</b>

### 24. RESERVES

#### Profit and loss account

This reserve includes all current and prior retained profits and losses.

# BURTS POTATO CHIPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

### 25. CAPITAL COMMITMENTS

At 31 December 2016 the Group and company had capital commitments as follows:

	Group 31 December 2016 £	Group 31 March 2016 £	Company 31 December 2016 £	Company 31 March 2016 £
Contracted for but not provided in these financial statements	<b>726,046</b>	2,695,020	<b>726,046</b>	2,695,020

### 26. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £115,496 (period to 31 March 2016: £151,612). Contributions totalling £14,488 (period to 31 March 2016: £11,867) were payable to the fund at the balance sheet date and are included in creditors.

### 27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2016 £	Group 31 March 2016 £	Company 31 December 2016 £	Company 31 March 2016 £
<b>Land and buildings</b>				
Not later than 1 year	<b>538,596</b>	329,868	<b>538,596</b>	329,868
Later than 1 year and not later than 5 years	<b>1,931,425</b>	1,280,388	<b>1,931,425</b>	1,280,388
Later than 5 years	<b>1,907,822</b>	70,342	<b>1,907,822</b>	70,342
	<b>4,377,843</b>	1,680,598	<b>4,377,843</b>	1,680,598
<b>Other</b>				
Not later than 1 year	<b>36,953</b>	68,290	<b>36,953</b>	68,290
Later than 1 year and not later than 5 years	<b>19,251</b>	13,113	<b>19,251</b>	13,113
	<b>56,204</b>	81,403	<b>56,204</b>	81,403

## **BURTS POTATO CHIPS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016**

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#### **28. RELATED PARTY TRANSACTIONS**

Purchases totalling £115,125 (period to 31 March 2016: £169,097) were made from a company controlled by a Director of Burts Potato Chips Limited. As at 31 December 2016, Burts Potato Chips Limited owed the company £34,614 (at 31 March 2016: £58,932).

Purchases totalling £20,543 (period to 31 March 2016: £19,462) were made from a corporate shareholder and sales totalling £2,657 (period to 31 March 2016: £Nil) were made to the same corporate shareholder. During the period, the corporate shareholder provided loan finance to the company totalling £500,000 (period to 31 March 2016: £900,000). As at 31 December 2016, Burts Potato Chips Limited owed the company £3,596,040 (at 31 March 2016: £3,099,920).

During the period, a corporate shareholder provided loan finance to the company totalling £Nil (period to 31 March 2016: £Nil). As at 31 December 2016, Burts Potato Chips Limited owed the company £901,774 (at 31 March 2016: £901,774).

Purchases totalling £13,550 (period to 31 March 2016: £24,200) were made from a sole trade business of one of the Directors. As at 31 December 2016, Burts Potato Chips Limited owed the business £3,000 (at 31 March 2016: £1,500).

Purchases totalling £Nil (period to 31 March 2016: £32,479) were made from the son of a Director. As at 31 December 2016, Burts Potato Chips Limited owed him £Nil (at 31 March 2016: £Nil).

Purchases totalling £4,828 (period to 31 March 2016: £Nil) were made from a company that is controlled by someone who has significant influence over Burts Potato Chips Limited and sales totalling £525,137 (period to 31 March 2016: £487,736) were made to the company. As at 31 December 2016, Burts Potato Chips Limited owed the company £55,000 (at 31 March 2016: £119,532).

#### **29. CONTROLLING PARTY**

The company was under the control of Andrea Holdings S.A. (a company registered in Panama) at the period end by virtue of their majority shareholding.