

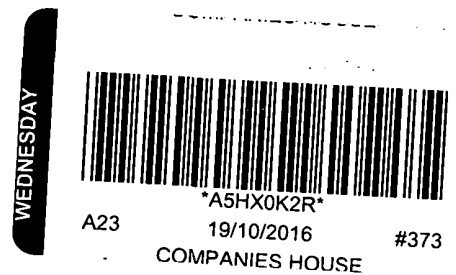
REGISTRAR OF COMPANIES

Registration number: 03186709

Carron Lodge Limited

Directors' Report and Financial Statements

31 March 2016



dodd&co

Carron Lodge Limited

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Carron Lodge Limited

Company Information

Directors R A Rhodes
A S Rhodes

Company secretary A S Rhodes

Registered office Park Head Farm
Carron Lane
Inglewhite
PRESTON
PR3 2LN

Auditors Dodd & Co Limited
Chartered Accountants & Registered Auditors
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Carron Lodge Limited

Strategic Report for the Year Ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Principal activity

The principal activity of the company is the production, processing, factoring, importation and wholesale distribution of dairy products.

Fair review of the business

The directors are pleased with the results for the year, which show an increase in turnover, and the position of the company as at 31 March 2016. The directors have no plans for significant changes or developments to the business of the company.

Dividends totalling £1,062,000 were paid during the year. The directors recommend that no final dividends be paid.

The company's key financial and other performance indicators during the year were as follows:

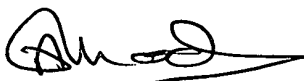
	Unit	2016	2015
Turnover	£	27,375,487	26,954,475
Gross profit margin	%	14	13
Profit before tax	£	2,340,184	1,875,030
Net assets	£	7,021,466	6,206,973

Given the straightforward nature of the company's business, the company's directors are of the opinion that any further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategies are subject to a number of risks, none of which are of sufficient importance to specifically mention in this report. The company's directors are confident that the business will continue to adapt to changing business circumstances.

Approved by the Board on 28 July 2016 and signed on its behalf by:



A S Rhodes
Company secretary and director

Carron Lodge Limited

Directors' Report for the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors of the company

The directors who held office during the year were as follows:

R A Rhodes

A S Rhodes - Company secretary and director

Financial instruments

Objectives and policies

The company's directors continually monitor and manage the finances of the company with a view to meeting future financial obligations as and when they become due. In addition, they aim to manage the company's liquid resources in such a way as to ensure that funds are available to cover any unexpected items of expenditure which may arise in the course of the company's business, with the ultimate aim of ensuring that the company's ability to trade is not put at risk.

Price risk, credit risk, liquidity risk and cash flow risk

The principal financial instruments of the business comprise of bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the operations of the business.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the cash balances of the business are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the level of credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of provisions for doubtful debtors.

Loans comprised loans to/from the directors. The business manages the liquidity risk by ensuring that there are sufficient funds to allow the directors to drawdown any further amounts on the loans without any detrimental impact upon the company's cash flow.

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

Finance risks in respect of changes in foreign currency exchange rates are managed by maintaining a Euro account through which foreign currency transactions are made.

Carron Lodge Limited

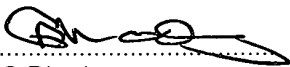
Directors' Report for the Year Ended 31 March 2016 (continued)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

The Strategic Report on page 2 sets out the future developments of the company.

Approved by the Board on 28 July 2016 and signed on its behalf by:



A S Rhodes
Company secretary and director

Carron Lodge Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Carron Lodge Limited

Independent Auditor's Report to the Members of Carron Lodge Limited

We have audited the financial statements of Carron Lodge Limited for the year ended 31 March 2016, set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Carron Lodge Limited

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

Matters on which we are required to report by exception

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

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



Martin S Ward (Senior Statutory Auditor)
For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

28 July 2016

Carron Lodge Limited

Statement of Income and Retained Earnings for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	27,375,487	26,954,475
Cost of sales		<u>(23,421,994)</u>	<u>(23,516,894)</u>
Gross profit		3,953,493	3,437,581
Distribution costs		(688,332)	(736,839)
Administrative expenses		(1,000,745)	(906,669)
Other operating income		<u>42,970</u>	<u>47,906</u>
Operating profit	4	2,307,386	1,841,979
Other interest receivable and similar income	5	32,861	36,720
Interest payable and similar charges	6	<u>(63)</u>	<u>(3,669)</u>
Profit before tax		2,340,184	1,875,030
Taxation	10	<u>(463,691)</u>	<u>(401,000)</u>
Profit for the financial year		1,876,493	1,474,030
Retained earnings brought forward		6,205,353	4,796,323
Dividends paid	23	<u>(1,062,000)</u>	<u>(65,000)</u>
Retained earnings carried forward		<u><u>7,019,846</u></u>	<u><u>6,205,353</u></u>

The notes on pages 11 to 27 form an integral part of these financial statements.

Carron Lodge Limited

(Registration number: 03186709)
Balance Sheet as at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	2,741,558	2,580,584
Investments	13	<u>100</u>	<u>100</u>
		<u>2,741,658</u>	<u>2,580,684</u>
Current assets			
Stocks	14	1,363,911	1,671,372
Debtors	15	2,804,616	3,537,107
Cash at bank and in hand	16	<u>3,311,501</u>	<u>1,373,909</u>
		7,480,028	6,582,388
Creditors: Amounts falling due within one year	17	<u>(3,081,694)</u>	<u>(2,859,602)</u>
Net current assets		<u>4,398,334</u>	<u>3,722,786</u>
Total assets less current liabilities		7,139,992	6,303,470
Creditors: Amounts falling due after more than one year	17	-	(2,382)
Provisions for liabilities	10	<u>(118,526)</u>	<u>(94,115)</u>
Net assets		<u>7,021,466</u>	<u>6,206,973</u>
Capital and reserves			
Called up share capital	19	1,120	1,120
Capital redemption reserve	20	500	500
Profit and loss account	20	<u>7,019,846</u>	<u>6,205,353</u>
Total equity		<u>7,021,466</u>	<u>6,206,973</u>

Approved and authorised by the Board on 28 July 2016 and signed on its behalf by:



.....
R A Rhodes

Director

The notes on pages 11 to 27 form an integral part of these financial statements.

Carron Lodge Limited

Statement of Cash Flows for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		1,876,493	1,474,030
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		229,916	236,349
Profit on disposal of tangible assets		(925)	-
Finance income	5	(32,861)	(36,720)
Finance costs	6	63	3,669
Corporation tax expense	10	463,691	401,000
		<u>2,536,377</u>	<u>2,078,328</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	307,461	(319,766)
Increase in debtors		(18,728)	(80,569)
Increase in creditors		168,846	411,017
		<u>2,993,956</u>	<u>2,089,010</u>
Cash generated from operations		2,993,956	2,089,010
Corporation tax paid		(382,700)	(328,213)
Net cash flow from operating activities		<u>2,611,256</u>	<u>1,760,797</u>
Cash flows from investing activities			
Interest received	5	32,861	36,720
Acquisitions of tangible assets		(390,890)	(476,879)
Proceeds from sale of tangible assets		925	-
Net cash flows from investing activities		<u>(357,104)</u>	<u>(440,159)</u>
Cash flows from financing activities			
Interest paid	6	(63)	(4,934)
Repayment of other borrowing		751,219	87,732
Payments to finance lease creditors		(5,716)	(7,152)
Dividends paid	23	(1,062,000)	(65,000)
Net cash flows from financing activities		<u>(316,560)</u>	<u>10,646</u>
Net increase in cash and cash equivalents		1,937,592	1,331,284
Cash and cash equivalents at 1 April		1,373,909	42,625
Cash and cash equivalents at 31 March	16	<u>3,311,501</u>	<u>1,373,909</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

1 General information

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

The address of its registered office is:

Park Head Farm

Carron Lane

Inglewhite

PRESTON

PR3 2LN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

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

The company has not prepared consolidated accounts on the basis that the net assets of its subsidiary amount to £100 and that it did not trade during the year.

Revenue recognition

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

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Other grants

Grants such as the single farm payment are included in the profit and loss account when all the necessary conditions for receipt have been met.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

Tax

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

The current 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 operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Asset class	Depreciation method and rate
Land and buildings	Land not depreciated. Buildings 5% straight line or over the length of the lease
Motor vehicles	25% reducing balance basis
Other property, plant and equipment	20% reducing balance basis

Included within land and buildings are tenant's improvements on buildings leased by the company from the directors. As the long term intention is for the company's operations to continue from those buildings, it is deemed to give a true and fair view to depreciate the assets over their estimated useful economic life on a 5% straight line basis rather than over the duration of the lease.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	straight line basis over five years

Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

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

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

Stocks

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

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

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

Borrowings

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

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

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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

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

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

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

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sale of goods	<u>27,375,487</u>	<u>26,954,475</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
UK	27,354,893	26,938,364
Europe	<u>20,594</u>	<u>16,111</u>
	<u>27,375,487</u>	<u>26,954,475</u>

4 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	229,916	213,970
Amortisation expense	-	22,379
Foreign exchange gains	(37,350)	(38,698)
Profit on disposal of property, plant and equipment	<u>(925)</u>	<u>-</u>

5 Other interest receivable and similar income

	2016 £	2015 £
Other finance income	<u>32,861</u>	<u>36,720</u>

6 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	<u>63</u>	<u>3,669</u>

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	2,135,842	1,983,716
Social security costs	175,630	165,049
Pension costs, defined contribution scheme	21,796	20,373
	<u>2,333,268</u>	<u>2,169,138</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Production	54	56
Administration and support	18	18
Distribution	36	29
	<u>108</u>	<u>103</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	<u>16,104</u>	<u>15,756</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

9 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>10,000</u>	<u>10,000</u>
Other fees to auditors		
All other non-audit services	<u>12,900</u>	<u>7,810</u>

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

10 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	439,280	382,700
Deferred taxation		
Arising from origination and reversal of timing differences	<u>24,411</u>	<u>18,300</u>
Tax expense in the income statement	<u><u>463,691</u></u>	<u><u>401,000</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 21%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>2,340,184</u>	<u>1,875,030</u>
Corporation tax at standard rate	468,037	393,756
Effect of expense not deductible in determining taxable profit (tax loss)	262	517
UK deferred tax expense (credit) relating to changes in tax rates or laws	(11,377)	(4,705)
Tax increase from effect of depreciation on non qualifying assets	<u>6,769</u>	<u>11,432</u>
Total tax charge	<u><u>463,691</u></u>	<u><u>401,000</u></u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2016	
Difference between accumulated depreciation and amortisation and capital allowances	<u>118,526</u>
2015	
Difference between accumulated depreciation and amortisation and capital allowances	<u>94,115</u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £18,845 (2015 - £(35,789)).

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

A reduction in the UK corporation tax rate to 19% for the period 1 April 2017 to 31 March 2019 and 18% from that date was substantively enacted in the UK on 26 October 2015. Deferred tax has been recognised at the rates in which the temporary differences are expected to reverse which equates to 18.25%.

11 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2015	<u>104,102</u>	<u>104,102</u>
At 31 March 2016	<u>104,102</u>	<u>104,102</u>
Amortisation		
At 1 April 2015	<u>104,102</u>	<u>104,102</u>
At 31 March 2016	<u>104,102</u>	<u>104,102</u>
Carrying amount		
At 31 March 2016	<u><u>-</u></u>	<u><u>-</u></u>
At 31 March 2015	<u><u>-</u></u>	<u><u>-</u></u>

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

12 Tangible assets

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 April 2015	2,175,926	1,014,676	1,412,328	4,602,930
Additions	<u>58,147</u>	<u>243,834</u>	<u>88,909</u>	<u>390,890</u>
At 31 March 2016	<u>2,234,073</u>	<u>1,258,510</u>	<u>1,501,237</u>	<u>4,993,820</u>
Depreciation				
At 1 April 2015	294,603	671,849	1,055,894	2,022,346
Charge for the year	<u>38,556</u>	<u>114,161</u>	<u>77,199</u>	<u>229,916</u>
At 31 March 2016	<u>333,159</u>	<u>786,010</u>	<u>1,133,093</u>	<u>2,252,262</u>
Carrying amount				
At 31 March 2016	<u>1,900,914</u>	<u>472,500</u>	<u>368,144</u>	<u>2,741,558</u>
At 31 March 2015	<u>1,881,323</u>	<u>342,827</u>	<u>356,434</u>	<u>2,580,584</u>

Included within the net book value of land and buildings above is £1,411,399 (2015 - £1,411,264) in respect of freehold land and buildings and £489,515 (2015 - £470,059) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Other property, plant and equipment	<u>11,183</u>	<u>13,979</u>

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

13 Investments in subsidiaries, joint ventures and associates

	2016 £	2015 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 April 2015		100
Carrying amount		
At 31 March 2016		100
At 31 March 2015		100

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2016	2015
Subsidiary undertakings				
Parkview Foods Limited	England and Wales	Ordinary	100%	100%

The principal activity of Parkview Foods Limited is non trading

The profit for the financial period of Parkview Foods Limited was £- and the aggregate amount of capital and reserves at the end of the period was £100.

14 Stocks

	2016 £	2015 £
Other farm stock	16,874	24,713
Finished goods	1,062,367	1,358,569
Livestock	284,670	288,090
	1,363,911	1,671,372

The cost of stocks recognised as an expense in the year amounted to £20,530,441 (2015 - £20,739,643).

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

15 Debtors

	2016 £	2015 £
Trade debtors	2,234,683	2,219,484
Other debtors	519,572	1,262,686
Prepayments	50,361	54,937
	<u>2,804,616</u>	<u>3,537,107</u>

16 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	5,359	25,043
Cash at bank	3,306,142	1,348,866
	<u>3,311,501</u>	<u>1,373,909</u>

17 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	21	2,382	5,716
Trade creditors		2,501,177	2,378,291
Amounts due to related parties	25	100	100
Social security and other taxes		44,044	39,136
Outstanding defined contribution pension costs		6,046	5,074
Other payables		51,949	6,287
Accrued expenses		36,716	42,298
Corporation tax liability	10	439,280	382,700
		<u>3,081,694</u>	<u>2,859,602</u>
Due after one year			
Loans and borrowings	21	<u>-</u>	<u>2,382</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £21,796 (2015 - £20,373).

Contributions totalling £6,046 (2015 - £5,074) were payable to the scheme at the end of the year and are included in creditors.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

19 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
'A' Ordinary shares of £1 each	120	120	120	120
'B' Ordinary shares of £1 each	500	500	500	500
'C' Ordinary shares of £1 each	500	500	500	500
	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>

Rights, preferences and restrictions

'A' Ordinary shares have the following rights, preferences and restrictions:

Full voting rights.

Full rights to participate in any distribution with regard to dividends relating to this class of share.

Full rights to participate in any distribution on winding up.

'B' Ordinary shares have the following rights, preferences and restrictions:

Full voting rights.

Full rights to participate in any distribution with regard to dividends relating to this class of share.

Full rights to participate in any distribution on winding up.

'C' Ordinary shares have the following rights, preferences and restrictions:

Full voting rights.

Full rights to participate in any distribution with regard to dividends relating to this class of share.

Full rights to participate in any distribution on winding up.

20 Reserves

Called up share capital

Represents the nominal value of shares that have been issued.

Capital redemption reserve

Non - distributable reserve that represents paid up share capital.

Profit and loss account

Includes all current period retained profits and losses.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Loans and borrowings

	2016 £	2015 £
Current loans and borrowings		
Finance lease liabilities	<u>2,382</u>	<u>5,716</u>

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2016 £	2015 £
Finance lease liabilities	<u>2,382</u>	<u>5,716</u>

Finance lease liabilities are secured on the assets to which they relate.

	2016 £	2015 £
Non-current loans and borrowings		
Finance lease liabilities	<u>-</u>	<u>2,382</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2016 £	2015 £
Finance lease liabilities	<u>-</u>	<u>2,382</u>

Finance lease liabilities are secured on the assets to which they relate.

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

22 Obligations under leases and hire purchase contracts

Finance leases

Certain plant and machinery are held under finance lease arrangements. Finance lease liabilities are secured by the assets held under finance leases. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	2,382	5,716
Later than one year and not later than five years	-	2,382
	<u>2,382</u>	<u>8,098</u>

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	76,000	65,583
Later than one year and not later than five years	65,375	55,500
Later than five years	249,667	268,667
	<u>391,042</u>	<u>389,750</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £75,708 (2015 - £73,896).

23 Dividends

	2016 £	2015 £
Interim dividend	<u>1,062,000</u>	<u>65,000</u>

24 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £7,625 (2015 - £19,365).

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

25 Related party transactions

Key management personnel

The directors

Key management compensation

	2016 £	2015 £
Salaries and other short term employee benefits	<u>16,104</u>	<u>15,756</u>

Summary of transactions with key management

During the year the directors received property rent from the company. The company also paid rent for land owned by a SIPP to which the directors are the sole beneficiaries.

The directors received a dividend from the company, proceeds from the sale of a motor vehicle to the company and a fee for the use of their home as an office.

Transactions with directors

	At 1 April 2015 £	Advances £	Repayments £	Interest £	At 31 March 2016 £
2016					
A S Rhodes					
Director loan	<u>498,088</u>	<u>188,603</u>	<u>(580,643)</u>	<u>16,431</u>	<u>122,479</u>
R A Rhodes					
Director loan	<u>498,088</u>	<u>188,603</u>	<u>(580,643)</u>	<u>16,430</u>	<u>122,478</u>
	At 1 April 2014 £	Advances £	Repayments £	Interest £	At 31 March 2015 £
2015					
A S Rhodes					
Director loan	<u>541,954</u>	<u>154,121</u>	<u>(216,324)</u>	<u>18,337</u>	<u>498,088</u>
R A Rhodes					
Director loan	<u>541,954</u>	<u>154,122</u>	<u>(216,325)</u>	<u>18,337</u>	<u>498,088</u>

Directors' advances are repayable on demand.

Interest has been charges at a rate of 3% on advances to directors.

Dividends paid to key management personnel and those closely connected

	2016 £	2015 £
Interim dividend	<u>1,062,000</u>	<u>65,000</u>

Carron Lodge Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

Summary of transactions with subsidiaries

Intercompany loan provided to the company by a wholly owned subsidiary.

Summary of transactions with other related parties

Building services provided to the company by the father of the director.

Income and receivables from related parties

	Key management £
2016	
Amounts receivable from related party	244,957
	<u>244,957</u>
	Key management £
2015	
Amounts receivable from related party	996,176
	<u>996,176</u>

Expenditure with and payables to related parties

	Subsidiary £	Key management £	Other related parties £
2016			
Rendering of services	-	-	5,000
Purchase of property or other assets	-	20,000	-
Leases	-	62,000	-
	<u>-</u>	<u>82,000</u>	<u>5,000</u>
Amounts payable to related party	100	-	-
	<u>100</u>	<u>-</u>	<u>-</u>
	Subsidiary £	Key management £	Other related parties £
2015			
Rendering of services	-	-	4,380
Purchase of property or other assets	-	250,000	-
Leases	-	62,000	-
	<u>-</u>	<u>312,000</u>	<u>4,380</u>
Amounts payable to related party	100	-	5,256
	<u>100</u>	<u>-</u>	<u>5,256</u>

Carron Lodge Limited

**Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)**

26 Parent and ultimate parent undertaking

The ultimate controlling party is the directors.