

Woodchester Enterprises Limited

Report and Financial Statements

For the period from 3 January 2015 to 1 January 2016



Directors

S Speers (resigned 23 February 2016)
K Salters
A Richmond
F O'Driscoll (resigned 31 October 2015)
E Birchall

Secretary

A Richmond

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Danske Bank
Donegall Square West
Belfast BT1 6SJ

Solicitors

Carson McDowell
Murray House
4 Murray Street
Belfast BT1 6DN

Registered Office

Manderson House
5230 Valiant Court
Gloucester Business Park
Brockworth
Gloucestershire GL3 4FE

Strategic report

The directors present their strategic report for the period ended 1 January 2016.

Principal activity and review of the business

The principal activity of the company was the production of premium soft drinks.

There were no significant changes in the activities of the company during the period. The directors consider that in light of prevailing economic and market conditions, both the results for the period and the prospects for the future are satisfactory.

The company strategy for the coming year is to increase shareholder value through enhancing market share and developing the company's customer base further.

Key performance indicators

The key performance indicator for the company is the gross margin. The gross margin for the period was 42.4% (period ended 2 January 2015 – 44.2%). Other key performance indicators are noted below:

	2016	2015
	£	£
Turnover	21,072,725	18,891,290
Profit after tax	3,097,524	2,892,707
Shareholder funds	6,122,627	7,517,546
Average employees during the period	32	32
Current assets v current liabilities (quick ratio)	1.74	2.16

Principal risks and uncertainties

The company uses various financial instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk, currency risk, credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks, and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The company finances its operations through retained profits. The company's exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements exchange rates.

Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references and industry knowledge, and amounts owed are reviewed and followed up on a regular basis.

Strategic report

Principal risks and uncertainties (continued)

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs short-term flexibility is achieved by holding cash balances.

Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

On behalf of the Board



A Richmond
Director

Date: 13th Feb 2016

Registered No. 03726756

Directors' report

The directors present their report for the period ended 1 January 2016.

Results and dividends

The profit for the period after taxation amounted to £3,097,524 (period ended 2 January 2015 – profit of £2,892,707). There were dividends paid in the period of £4,492,443 (period ended 2 January 2015 – £7,354,557).

Future developments

The Directors are committed to long-term creation of shareholder value. Successful implementation of a growth strategy has resulted in good results for 2015 despite the sector remaining highly competitive. While the incoming year is likely to continue to be very challenging, early results indicate we are in line to achieve our expectations for the year.

Directors

The directors who served the company during the period were as follows:

S Speers (resigned 23 February 2016)
K Salters
A Richmond
F O'Driscoll (resigned 31 October 2015)
E Birchall

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



E Birchall
Director

Date: 13.6.16

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; 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.

Independent auditors' report

to the members of Woodchester Enterprises Limited

We have audited the financial statements of Woodchester Enterprises Limited for the period ended 1 January 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and 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 company's affairs as at 1 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Woodchester Enterprises Limited

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.

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 13 June 2016 .

Profit and loss account

for the period ended 1 January 2016

		<i>Period ended 1 January 2016</i>	<i>Period ended 2 January 2015</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	21,072,725	18,891,290
Cost of sales		<u>(12,147,013)</u>	<u>(10,537,711)</u>
Gross Profit		8,925,712	8,353,579
Distribution costs		(1,359,283)	(1,165,679)
Administrative expenses		<u>(3,702,058)</u>	<u>(3,496,889)</u>
Operating Profit	3	3,864,371	3,691,011
Interest payable and similar charges	6	—	(5,123)
Profit on ordinary activities before taxation		3,864,371	3,685,888
Tax charge	7	<u>(766,847)</u>	<u>(793,181)</u>
Profit for the financial period	14	<u>3,097,524</u>	<u>2,892,707</u>

All amounts relate to continuing activities.

Statement of comprehensive income

for the period ended 1 January 2016

There is no recognised income or loss other than the profit attributable to the shareholders of the company of £3,097,524 in the period ended 1 January 2016 (period ended 2 January 2015 – profit of £2,892,707).

Statement of changes in equity

for the period ended 1 January 2016

	<i>Called up share capital</i> £	<i>Profit and loss account</i> £	<i>Total Equity</i> £
At 4 January 2014	10,598	11,968,798	11,979,396
Profit for the period	—	2,892,707	2,892,707
Dividend paid in the period	—	(7,354,557)	(7,354,557)
At 2 January 2015	10,598	7,506,948	7,517,546
Profit for the period	—	3,097,524	3,097,524
Dividend paid in the period	—	(4,492,443)	(4,492,443)
At 1 January 2016	<u>10,598</u>	<u>6,112,029</u>	<u>6,122,627</u>

Registered Number: 03726756

Balance sheet

at 1 January 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	1,417,201	1,093,014
Investments	9	1	1
		<u>1,417,202</u>	<u>1,093,015</u>
Current assets			
Stocks	10	1,472,375	1,687,542
Debtors	11	4,900,047	4,517,832
Cash at bank and in hand		5,038,299	5,896,016
		<u>11,410,721</u>	<u>12,101,390</u>
Creditors: amounts falling due within one year	12	<u>(6,573,806)</u>	<u>(5,599,698)</u>
Net current assets		<u>4,836,915</u>	<u>6,501,692</u>
Total assets less current liabilities		<u>6,254,117</u>	<u>7,594,707</u>
Provisions for liabilities			
Deferred taxation	7(c)	<u>(131,490)</u>	<u>(77,161)</u>
Net assets		<u>6,122,627</u>	<u>7,517,546</u>
Capital and reserves			
Called up share capital	13	10,598	10,598
Profit and loss account	14	<u>6,112,029</u>	<u>7,506,948</u>
Shareholders' funds		<u>6,122,627</u>	<u>7,517,546</u>



E Birchall
Director

Date: 13.6.16

Notes to the financial statements

for the period ended 1 January 2016

1. Accounting policies

Statement of compliance

Woodchester Enterprises Limited is a limited liability company incorporated in England and Wales. The Registered Office is Manderson House, 5230 Valiant Court Delta Way, Gloucester Business Park, Brockworth, Gloucestershire, GL3 4FE.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the period ended 1 January 2016.

The company transitioned from previously extant UK GAAP to FRS 102 as at 4 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

Basis of preparation

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

The financial statements are prepared in Sterling which is the functional currency of the company.

Reduced disclosure framework

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- (b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).
- (c) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26
- (d) Section 33 *Related Party Disclosures* paragraph 33.7.

The shareholders of the company have been notified in writing about, and do not object to, the use of the disclosure exemptions. The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

Going concern

The directors have assessed, based on the anticipated activities of the company, that there are adequate resources in place to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For the reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Group financial statements

The company is exempt from preparing group financial statements under section 400 of the Companies Act 2006.

Statement of cash flows

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose group financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 102 Section 7 *Statement of Cash Flows*.

Notes to the financial statements

for the period ended 1 January 2016

1. Accounting policies (continued)

Judgements and key sources of estimation

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 period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements.

The following are the company's key sources of estimation uncertainty:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Details of the company's tax charge are contained in note 7.

Turnover

The turnover in the profit and loss account represents amounts receivable in respect of the sales of soft drinks during the period, exclusive of Value Added Tax.

Turnover during the normal course of business is recognised on legal transfer of title.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Notes to the financial statements

for the period ended 1 January 2016

1. Accounting policies (continued)

Financial instruments (continued)

(i) Financial assets (continued)

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to leasehold	–	4-10% per annum straight-line
Plant and machinery	–	5-15% per annum straight-line
Motor vehicles	–	33% per annum straight-line
Office and computer equipment	–	33% per annum straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchase commitments

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight-line basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

Notes to the financial statements

for the period ended 1 January 2016

1. Accounting policies (continued)

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Foreign currencies

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund.

Notes to the financial statements

for the period ended 1 January 2016

2. Turnover

The whole of the turnover is attributable to the production of soft drinks.

A geographical analysis of turnover is as follows:

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
United Kingdom	19,943,752	18,259,667
Rest of the world	1,128,973	631,623
	<u>21,072,725</u>	<u>18,891,290</u>

3. Operating Profit

This is stated after charging:

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Auditors' remuneration	9,000	9,000
Auditors' remuneration – non-audit	1,364	1,364
Depreciation of tangible fixed assets – owned by the company	145,937	126,726
– held under finance leases	–	12,705
Operating lease rentals – other	156,512	156,512
Profit on disposal of fixed assets	–	13,139

4. Directors' remuneration

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Remuneration	185,991	265,520
Company pension contributions to defined contribution pension schemes	<u>4,532</u>	<u>4,536</u>

During the period retirement benefits were accruing to 1 director (period ended 2 January 2015 – 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £185,991 (period ended 2 January 2015 – £188,814).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,532 (period ended 2 January 2015 – £4,389).

Notes to the financial statements

for the period ended 1 January 2016

5. Staff costs

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

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Wages and salaries	1,272,658	1,024,141
Social security costs	109,350	107,961
Other pension costs	23,623	23,191
	<u>1,405,631</u>	<u>1,155,293</u>

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

	<i>Period ended 1 January 2016 No.</i>	<i>Period ended 2 January 2015 No.</i>
Administration	16	16
Production	16	16
	<u>32</u>	<u>32</u>

6. Interest payable and similar charges

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Hire purchase interest	—	5,123

Notes to the financial statements

for the period ended 1 January 2016

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Current tax:		
UK corporation tax on the profit for the period	715,807	766,294
Adjustments in respect of prior period	(3,289)	(331)
Group relief payment	–	25,503
Total current tax (note 7(b))	<u>712,518</u>	<u>791,466</u>
Deferred tax:		
Origination and reversal of timing differences	62,136	1,431
Adjustments in respect of previous years	(91)	284
Impact of rate change in opening DT	(7,716)	–
Total deferred tax (note 7(c))	<u>54,329</u>	<u>1,715</u>
Tax on profit on ordinary activities	<u>766,847</u>	<u>793,181</u>

(b) Factors affecting the total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25% (period ended 2 January 2015 – 21.5%). The differences are explained below:

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Profit on ordinary activities before tax	<u>3,864,371</u>	<u>3,685,888</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (period ended 2 January 2015 – 21.5%)	782,403	792,213
Effects of:		
Expenses not deductible for tax purposes	3,295	1,122
Payment in respect of group relief	–	25,503
Group relief received	–	(25,503)
Adjustments to corporation tax charge in respect of prior periods	(3,289)	(331)
Adjustments to deferred tax charge in respect of prior periods	(91)	284
Impact of rate change in opening DT	(7,716)	–
Difference in rate of DT and CT	(7,755)	(107)
Total tax for the period (note 7(a))	<u>766,847</u>	<u>793,181</u>

Notes to the financial statements

for the period ended 1 January 2016

7. Tax (continued)

(c) Deferred tax

	£
At 2 January 2015	77,161
Charge for period	54,329
At 1 January 2016	<u>131,490</u>

The provision for deferred taxation is made up as follows:

	<i>Period ended 1 January 2016 £</i>	<i>Period ended 2 January 2015 £</i>
Accelerated capital allowances	131,761	78,394
Other timing differences	<u>(271)</u>	<u>(1,233)</u>
	<u>131,490</u>	<u>77,161</u>

(d) Factors that may affect future tax charges

The corporation tax rate in the UK reduced from 21% to 20% with effect from 1 April 2015, and will be further reduced to 18% on 1 April 2020. The 18% statutory rate of corporation tax was enacted in full on 29 October 2015 and this is the rate at which deferred tax has been provided. The March 2016 UK budget announced a further reduction in the tax rate to 17% on 1 April 2020 but this rate was not substantively enacted at the balance sheet date.

8. Tangible fixed assets

	<i>Improvement to leasehold £</i>	<i>Plant and machinery £</i>	<i>Motor vehicles £</i>	<i>Office equipment and exhibition stands £</i>	<i>Total £</i>
<i>Cost or valuation:</i>					
At 2 January 2015	290,394	2,410,857	11,795	136,929	2,849,975
Additions	67,554	382,756	9,902	9,913	470,125
At 1 January 2016	<u>357,948</u>	<u>2,793,613</u>	<u>21,697</u>	<u>146,842</u>	<u>3,320,100</u>
<i>Depreciation:</i>					
At 2 January 2015	107,633	1,503,537	9,593	136,199	1,756,962
Charge for the period	27,702	115,734	1,149	1,352	145,937
At 1 January 2016	<u>135,335</u>	<u>1,619,271</u>	<u>10,742</u>	<u>137,551</u>	<u>1,902,899</u>
<i>Net book value:</i>					
At 1 January 2016	<u>222,613</u>	<u>1,174,342</u>	<u>10,955</u>	<u>9,291</u>	<u>1,417,201</u>
At 2 January 2015	<u>182,761</u>	<u>907,320</u>	<u>2,202</u>	<u>730</u>	<u>1,093,014</u>

Notes to the financial statements

for the period ended 1 January 2016

8. Tangible fixed assets (continued)

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

	2016	2015
	£	£
Plant and machinery	–	158,809

The depreciation charge to assets held under hire purchase agreements in period was £nil (2015 – £12,705).

9. Investments

	<i>Investments in subsidiary companies</i>
	£
<i>Cost or valuation:</i>	
At 2 January 2015 and 1 January 2016	1
<i>Net book value:</i>	
At 2 January 2015 and 1 January 2016	1

Subsidiary undertakings

The following were subsidiary undertakings of the company:

<i>Name</i>	<i>Class of shares</i>	<i>Holding</i>
Causeway Shelf Co (No 3) Limited (Dormant company)	Ordinary	100%

The above company was incorporated in England.

The company itself is a subsidiary company and is included within the group financial statements of SHS Group Limited. The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

10. Stocks

	2016	2015
	£	£
Raw materials	1,013,111	949,052
Finished goods and goods for resale	459,264	738,490
	<u>1,472,375</u>	<u>1,687,542</u>

Stocks expensed in the period were £112,317 (2015: £80,804).

Notes to the financial statements

for the period ended 1 January 2016

11. Debtors

	2016	2015
	£	£
Trade debtors	390,940	167,233
Amounts owned by group undertakings	4,282,277	4,069,786
Prepayments and accrued income	226,830	280,813
	<u>4,900,047</u>	<u>4,517,832</u>

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	1,055,838	663,906
Amounts owed to group undertakings	1,747,609	1,680,711
Current corporation tax	715,807	766,294
Other taxation and social security	391,707	476,054
Accruals and deferred income	2,662,845	2,012,733
	<u>6,573,806</u>	<u>5,599,698</u>

13. Issued share capital

	2016		2015	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	10,598	<u>10,598</u>	10,598	<u>10,598</u>

14. Movements on reserves

	<i>Profit and loss account</i>
	£
At 2 January 2015	7,506,948
Profit for the period	3,097,524
Dividend paid in the period	<u>(4,492,443)</u>
At 1 January 2016	<u>6,112,029</u>

15. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £23,623 (2015 – £23,191).

Notes to the financial statements

for the period ended 1 January 2016

16. Other financial commitments

At 1 January 2016 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2016</i>	<i>2015</i>
	<i>£</i>	<i>£</i>
<i>Operating leases which expire:</i>		
Within two to five years	156,540	156,540
	<u>156,540</u>	<u>156,540</u>

17. Related party transactions

As a wholly owned subsidiary of SHS Group Limited, the company is exempt from the requirements of FRS 102 Section 33 *Related Party Disclosures* paragraph 33.11 to disclose transactions with other members of the group which are party to the transaction.

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Bottlegreen Holdings Limited, a company incorporated in England and Wales.

The directors consider that the ultimate parent undertaking is SHS Group Limited, a company incorporated in Northern Ireland. The ultimate controlling parties of SHS Group Limited are its shareholders.

The results of Woodchester Enterprises Limited are included in the group financial statements of SHS Group Limited, which are available for inspection at the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast.

19. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 4 January 2014. There is no impact from the transition to FRS 102.

There were no changes in accounting policies arising from the transition to FRS 102.

Transitional relief

On transition to FRS 102 from previous UK GAAP, the company have taken advantage of transitional relief as follows:

Business combinations

The group has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102.

Investments in subsidiaries

The company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.