

HOUSE OF DORCHESTER LIMITED

Financial Statements

For the period ended 30 April 2015



Company Registration Number: 04499810

HOUSE OF DORCHESTER LIMITED

Financial statements for the period ended 30 April 2015

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HOUSE OF DORCHESTER LIMITED

Directors, officers and advisers

Directors

G Weston
A C Batson

Secretary and registered office

One, The Royal Arcade
28 Old Bond Street
London
W1S 4BT

Registered number

04499810

Auditors

Day, Smith & Hunter
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

HOUSE OF DORCHESTER LIMITED
Strategic report for the period ended 30 April 2015

The directors present their report and the financial statements of the company for the period ended 30 April 2015.

Review and analysis of the business during the current period

The principal activity of the company is a premium chocolate manufacturer.

Development and financial performance during the period

As reported in the company's profit and loss account on page 8 turnover during the 16 month period has increased to £8,186,360 compared to £8,088,079 for the previous 12 month period. The loss after tax has increased from £502,433 to £714,597. The results are considered to be satisfactory as the new management carries out a restructuring of activities.

On 22 July 2014 the company was purchased by Charbonnel et Walker Limited, a premium manufacturer, wholesaler and retailer of chocolate and confectionery.

The executive directors of Charbonnel et Walker replaced the prior directors of House of Dorchester Limited on the same day and refocused the company on more profitable areas.

A large extension to the factory commenced during the year, and was opened by HRH Prince of Wales in November 2015.

In 2016 the directors expect the company to generate a sizeable profit.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the company are set out below:

Turnover

As indicated above, the company's turnover in the period increased by 1.22% compared to the previous year.

Gross profit margin

The company's gross profit margin decreased in the period under review from 28.20% to 22.13%.

Financial position at the reporting date

The balance sheet shows that the company's net assets at the period end have decreased from £732,983 to £192,847.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

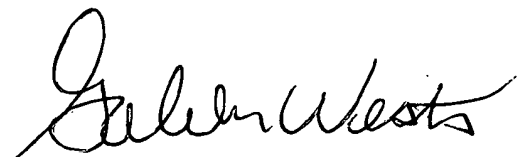
- Economic downturn - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.
- Competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality products and maintaining strong relationships with its key customers.
- Reliance on key suppliers - the company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressures. The company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.
- Loss of key personnel - this would present significant operational difficulties for the company. Management seek to

HOUSE OF DORCHESTER LIMITED

Strategic report for the period ended 30 April 2015 (continued)

ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Signed on behalf of the board



G WESTON

Approved by the Board on 29/4/2016

HOUSE OF DORCHESTER LIMITED
Directors' report for the period ended 30 April 2015

The directors present their report and the financial statements of the company for the period ended 30 April 2015.

Results and dividends

The results for the period are shown on the profit and loss account on page 8. The loss for the period after taxation was £714,597.

No dividends were paid during the period.

Financial instruments

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

Due to the nature of the financial instruments used by the company there is no exposure to price risks. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of trade debtors the risk is managed by the credit control policies which the company has in place.

The liquidity risk of bank balances is managed by transferring funds to obtain the maximum amount of interest, whilst not impacting on the financial needs of the company.

For bank and other loan facilities and trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and that borrowings are flexible and available in the medium term.

Future developments

The company is well poised to develop its main core business and continues to address the effect of competitive pressures.

Directors

The directors who served during the period were:

G Weston (appointed 22 July 2014)
A C Batson (appointed 22 July 2014)
A B Symmonds (resigned 22 July 2014)
R S K Young (resigned 22 July 2014)
M C D Swanwick (resigned 22 July 2014)

Directors' responsibilities statement

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

In preparing these financial statements, the directors are required to:

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


HOUSE OF DORCHESTER LIMITED

Directors' report for the period ended 30 April 2015 (continued)

Disclosure of information to auditors

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Signed on behalf of the board



G WESTON

Approved by the Board on 29/4/2016

HOUSE OF DORCHESTER LIMITED

Independent auditors' report to the members of House of Dorchester Limited

We have audited the financial statements of House of Dorchester Limited for the period ended 30 April 2015 which are set out on pages 8 to 20. 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 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 set out on page 4, 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.

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 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 company's affairs as at 30 April 2015 and of its 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.

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.

HOUSE OF DORCHESTER LIMITED

Independent auditors' report to the members of House of Dorchester 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.

Roy Coates FCA (Senior Statutory Auditor)
for and on behalf of Day, Smith & Hunter,
Chartered Accountants
Statutory Auditor

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

29/4/2016

HOUSE OF DORCHESTER LIMITED

Profit and loss account for the period ended 30 April 2015

		01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
		£	£
Turnover	2	8,186,360	8,088,079
Cost of sales		6,375,015	5,807,548
Gross profit		1,811,345	2,280,531
Distribution costs		224,089	251,194
Administrative expenses		2,535,423	2,579,047
Exceptional item	6	(132,543)	-
		2,626,969	2,830,241
Operating loss	3	(815,624)	(549,710)
Other interest receivable and similar income		455	343
Interest payable and similar charges	7	(71,845)	(65,899)
Loss on ordinary activities before taxation		(887,014)	(615,266)
Taxation on loss on ordinary activities	8	172,417	112,833
Loss for the financial period	18	(714,597)	(502,433)

None of the company's activities was acquired or discontinued during the above two years.

The notes on pages 11 to 20 form part of these financial statements.

HOUSE OF DORCHESTER LIMITED

Statement of total recognised gains and losses For the period ended 30 April 2015

		01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
Loss for the financial period		(714,597)	(502,433)
Unrealised surplus on revaluation of properties	10	173,461	-
Total recognised gains and losses recognised since the last annual report		(541,136)	(502,433)

Note of historical costs profit and losses for the period ended 30 April 2015

		01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
		£	£
Reported loss on ordinary activities before taxation		(887,014)	(615,266)
Difference between a historical cost depreciation charge and the actual depreciation charge on the revalued amount		10,070	7,552
Historical cost loss on ordinary activities before taxation		(876,944)	(607,714)
Historical cost loss for the year after taxation and dividends		(704,527)	(494,881)

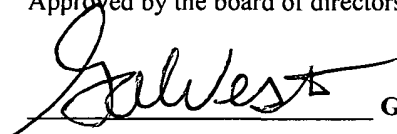
The notes on pages 11 to 20 form part of these financial statements.

HOUSE OF DORCHESTER LIMITED

Balance sheet at 30 April 2015

		30.04.2015		31.12.2013	
		£	£	£	£
Fixed assets					
Intangible assets	9		155,085		185,385
Tangible assets	10		1,491,334		1,595,953
Investments	11		187,000		187,000
			<u>1,833,419</u>		<u>1,968,338</u>
Current assets					
Stock	12	307,466		1,025,555	
Debtors	13	1,180,258		1,013,139	
Cash at bank and in hand		28,178		53,102	
			<u>1,515,902</u>		<u>2,091,796</u>
Creditors: amounts falling due within one year	14	(2,437,085)		(2,643,325)	
Net current liabilities			<u>(921,183)</u>		<u>(551,529)</u>
Total assets less current liabilities			<u>912,236</u>		<u>1,416,809</u>
Creditors: amounts falling due after more than one year	15		(719,389)		(683,826)
			<u>192,847</u>		<u>732,983</u>
Capital and reserves					
Called up share capital	17		1,300		300
Share premium account	18		485,500		485,500
Revaluation reserve	18		631,447		468,056
Deficit on profit and loss account	18		(925,600)		(221,073)
Other reserves	18		200		200
Shareholders' funds	19		<u>192,847</u>		<u>732,983</u>

Approved by the board of directors on 29/4/2016 and signed on its behalf.



G Weston - Director

Company Registration No: 04499810

The notes on pages 11 to 20 form part of these financial statements.

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation of leasehold property, and have been prepared in accordance with applicable accounting standards.

The accounts do not include a cash flow statement because the company's results are included in the consolidated financial statements of the ultimate UK parent company and it is therefore exempt from the requirement to prepare such a statement in accordance with Financial Reporting Standard 1: "Cash Flow Statements".

b) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer which is generally on delivery. This applies to sales through our website or in stores.

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Leasehold property	2%-20% on cost
Equipment, fixtures and fittings	10%-15% on cost
Plant and machinery	7.5%-33.33% on cost
Computer equipment	33% on cost

d) Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to the maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently, as and when necessary, if circumstances emerge that indicate that the carrying value may not be recoverable.

e) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost consists of the cost incurred in bringing each product to its present location and condition:-

Raw materials	- purchase cost on first-in first-out basis
Work in progress, finished goods and- goods for resale	cost of direct materials and labour plus attributable based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

1 Accounting policies (continued)

g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

h) Financial instruments

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included at the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

i) Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis as they fall due.

j) Pension scheme

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2 Turnover

The turnover and loss before taxation is attributable to the one principal activity of the company.

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	%	%
Turnover analysed by geographical area in percentage terms:		
United Kingdom	95	96
Other	5	4
	<u>100</u>	<u>100</u>

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

3 Operating loss

This is stated after charging/(crediting):

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	£	£
Amortisation of goodwill	30,300	22,724
Depreciation of owned assets	224,017	158,754
Loss/(profit) on disposal of tangible fixed assets	33,177	(167)
Auditors' remuneration - Audit fee	6,000	6,000
Operating lease rentals - other assets	26,274	25,346
Operating lease rentals - land and buildings	108,354	67,549
Profit on exchange	(25,828)	(348)

4 Employee information

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	£	£
Staff costs:		
Wages and salaries	3,244,060	3,526,742
Social security costs	228,546	202,585
Other pension costs	36,969	33,937
	3,509,575	3,763,264

The average number of persons employed during the period, including executive directors, was made up as follows:

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	Number	Number
Production	75	104
Administrative	42	51
	117	155

5 Directors' emoluments

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
Emoluments	103,510	198,508

The number of directors who were accruing benefits under company pension schemes were nil (2013: nil).

6 Exceptional item

The exceptional item of £132,543 represents the interest accrued on debenture loans which was written off on 22 July 2014 on the acquisition of the entire share capital of the company by Charbonnel et Walker Limited.

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

7 Interest payable and similar charges

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	£	£
In respect of loans repayable within five years:		
On bank loans and overdrafts	32,479	21,627
Debenture interest	-	44,272
	<u>32,479</u>	<u>65,899</u>
In respect of loans repayable after five years:		
On bank loans	39,366	-
	<u>71,845</u>	<u>65,899</u>

8 Tax on profit on ordinary activities

	01.01.2014 to 30.04.2015	01.01.2013 to 31.12.2013
	£	£
United Kingdom corporation tax at 20% (2013: 20%)	-	(15,945)
Deferred taxation (note 16)	(105,499)	(98,416)
Subvention payment	66,918	-
Adjustments in respect of previous years	-	1,528
	<u>(172,417)</u>	<u>(112,833)</u>
Loss on ordinary activities before taxation	<u>(887,014)</u>	<u>(615,266)</u>
Factors affecting tax credit for the period		
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013: 20%)	(177,403)	(123,053)
Effects of:		
Expenses not deductible for tax purposes	13,256	9,967
Fixed asset timing differences	40,478	(3,108)
Unutilised losses	36,917	98,691
Other timing differences	19,834	3,086
Adjustment in respect of prior years	-	(1,528)
Subvention payment	(66,918)	-
Current tax charge for the period	<u>-</u>	<u>(15,945)</u>

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

9 Intangible fixed assets

	Goodwill
	£
Cost:	
At 1 January 2014	519,497
At 30 April 2015	519,497
Amortisation:	
At 1 January 2014	334,112
Provision for the year	30,300
At 30 April 2015	364,412
Net book value:	
At 30 April 2015	155,085
At 31 December 2013	185,385

10 Tangible fixed assets

	Land & buildings	Equipment fixtures & fittings	Plant & machinery	Computer equipment	Total
	£	£	£	£	£
Cost or valuation:					
At 1 January 2014	1,564,369	89,932	1,825,088	162,069	3,641,458
Additions	-	-	-	1,099	1,099
Disposals	-	-	(182,394)	(1,743)	(184,137)
Revaluation	173,461	-	-	-	173,461
At 30 April 2015	1,737,830	89,932	1,642,694	161,425	3,631,881
Depreciation:					
At 1 January 2014	528,184	52,676	1,340,410	124,235	2,045,505
Provision for the year	30,534	14,600	145,924	32,959	224,017
Adjustments for disposals	-	-	(127,232)	(1,743)	(128,975)
At 30 April 2015	558,718	67,276	1,359,102	155,451	2,140,547
Net book value:					
At 30 April 2015	1,179,112	22,656	283,592	5,974	1,491,334
At 31 December 2013	1,036,185	37,256	484,678	37,834	1,595,953

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

10 Tangible fixed assets (continued)

The net book value of land and buildings at 30 April 2015 is made up as follows:

	<u>30.04.2015</u>	<u>31.12.2013</u>
	£	£
Long-term leasehold premises	<u>1,179,112</u>	<u>1,036,185</u>

In June 2014 the premises and land at Poundbury, Dorchester was revalued by Jones Lang LaSalle, at £1,200,000 on a market value basis.

Included within leasehold property are leasehold improvements in respect of Wyvern and Alton with a net book value of £4,516 (2013: £8,413).

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

	<u>30.04.2015</u>	<u>31.12.2013</u>
	£	£
Cost	797,459	797,459
Accumulated depreciation	<u>(254,310)</u>	<u>(237,414)</u>
Net book value	<u>543,149</u>	<u>560,045</u>

11 Investments

	<u>Shares in subsidiary undertakings</u>	<u>Total</u>
	£	£
Cost:		
At 1 January 2014 and at 30 April 2015	<u>187,000</u>	<u>187,000</u>

The company owns 100% of the issued share capital of the dormant companies Dorchester Chocolates Limited and Personalised Products Limited, both incorporated in England.

12 Stock

	<u>30.04.2015</u>	<u>31.12.2013</u>
	£	£
Raw materials	127,683	417,967
Work in progress	53,397	59,716
Finished goods and goods for resale	<u>126,386</u>	<u>547,872</u>
	<u>307,466</u>	<u>1,025,555</u>

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

13 Debtors

	30.04.2015	31.12.2013
	£	£
Trade debtors	609,540	798,975
Other debtors	111,188	21,198
Prepaid expenses and accrued income	278,531	117,465
Tax repayments due	13,466	13,467
Deferred tax asset	167,533	62,034
	<u>1,180,258</u>	<u>1,013,139</u>

14 Creditors: amounts falling due within one year

	30.04.2015	31.12.2013
	£	£
Debenture loan	-	309,866
Bank loans and overdrafts	180,224	507,718
Trade creditors	574,951	1,042,546
Amounts owed to group undertakings	1,181,568	187,000
Other creditors	-	2,265
Other tax and social security	283,382	313,109
Accruals and deferred income	216,960	280,821
	<u>2,437,085</u>	<u>2,643,325</u>

The bank loan and overdraft facility are secured by fixed and floating charges over all the company's assets.

15 Creditors: amounts falling due after more than one year

	30.04.2015	31.12.2013
	£	£
Bank loans	719,389	146,826
Debenture loan	-	536,000
Redeemable preference shares	-	1,000
	<u>719,389</u>	<u>683,826</u>

Analysis of loan repayments

Bank loans and overdrafts		
Within one year or on demand	180,224	507,718
Between two and five years	315,373	146,826
After five years	404,016	-
Other loans		
Within one year or on demand	-	309,866
Between one and two years	-	536,000
	<u>899,613</u>	<u>1,500,410</u>
Less: amounts included in current liabilities (note 14)	180,224	817,584
	<u>719,389</u>	<u>682,826</u>

The bank loan is secured by a fixed and floating charge over all the company's assets. The loan bears interest at 4.55% and is fully repayable by 23 July 2024.

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

16 Deferred tax

	30.04.2015	31.12.2013
	£	£
Accelerated capital allowances	14,468	47,833
Other timing differences	(159,243)	(98,682)
Tax losses carried forward	(22,758)	(11,185)
	<u>(167,533)</u>	<u>(62,034)</u>
Asset at start of period	(62,034)	
Deferred tax credit in profit and loss account for period (note 8)	(105,499)	
Asset at end of period	<u>(167,533)</u>	

17 Called up share capital

	30.04.2015	31.12.2013
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	1,300	-
A ordinary shares of 10p each	-	100
B ordinary shares of 10p each	-	200
	<u>1,300</u>	<u>300</u>

On 22 July 2014 the 1,000 ordinary A and 2,000 ordinary B shares of 10p each and the 1,000 preference shares of £1 each were all converted into £1 ordinary shares at par value.

18 Reserves

	Other reserves	Revaluation reserve	Share premium account	Profit and loss account
	£	£	£	£
At 1 January 2014	200	468,056	485,500	(221,073)
Loss for the period	-	-	-	(714,597)
Difference between an historical depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	(10,070)	-	10,070
Arising on revaluations in period	-	173,461	-	-
At 30 April 2015	<u>200</u>	<u>631,447</u>	<u>485,500</u>	<u>(925,600)</u>

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

19 Reconciliation of movement in shareholders' funds

	30.04.2015	31.12.2013
	£	£
Loss for the period	(714,597)	(502,433)
Other recognised gains and losses	173,461	-
Conversion of preference shares	1,000	-
Net reduction in shareholders' funds	(540,136)	(502,433)
Shareholders' funds at 1 January 2014	732,983	1,235,416
Shareholders' funds at 30 April 2015	192,847	732,983

20 Contingent liabilities

The potential liability to corporation tax that would arise if the leasehold property was sold at its balance sheet value is estimated at £3,656 (2013: £7,803).

21 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 30 April 2015 were as set out below:

	30.04.2015		31.12.2013	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	7,500	2,944	-	25,346
Within two to five years	-	23,330	27,956	-
Over five years	31,596	-	29,485	-
	39,096	26,274	57,441	25,346

22 Other commitments

At 30 April 2015 there was a commitment of £586,180 to purchase bulk supplies of raw ingredients from one of its main suppliers.

23 Capital expenditure

	30.04.2015	31.12.2013
	£	£
Contracted for but not provided for in the financial statements	217,976	-

24 Parent companies

The ultimate parent company is Madera Investments Limited, which is incorporated in the Cayman Islands.

The company's immediate UK parent company is Charbonnel et Walker Limited, a company incorporated in England and Wales. The company's UK parent company is Richmond Corporation Limited, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the group accounts can be obtained from One, The Royal Arcade, 28 Old Bond Street, London W1S 4BT.

HOUSE OF DORCHESTER LIMITED

Notes to the financial statements for the period ended 30 April 2015 (continued)

25 Related parties

In accordance with paragraph 3 (c) of Financial Reporting Standard 8, no disclosure is made of transactions with other wholly owned group undertakings.