

THATCHERS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012



THATCHERS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr J Thatcher
Mrs A M Thatcher
Mr M Thatcher
Mr W R Hunt (appointed 1 April 2012)

COMPANY SECRETARY

Mrs A Thatcher

REGISTERED NUMBER

06666091

REGISTERED OFFICE

Myrtle Farm
Station Road
Sandford
Somerset
BS25 5RA

INDEPENDENT AUDITORS

Bishop Fleming
Chartered Accountants & Statutory Auditors
Cobourg House
Mayflower Street
Plymouth
PL1 1LG

BANKERS

HSBC Bank plc
Somerset
BS23 1JE

THATCHERS HOLDINGS LIMITED

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THATCHERS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and the financial statements for the year ended 31 August 2012

PRINCIPAL ACTIVITIES

The principal activities of the group are those of manufacture and sale of cider, and the processing of fruit

BUSINESS REVIEW

Results and Dividends

The volume of cider sold during the year ended 31st August 2012 again showed a significant increase due to the increasing distribution and popularity of Thatchers cider range

The profit after taxation amounted to £3,308,487. A dividend of £200,000 was paid during the year, no further dividends are proposed in respect of this year of account. The balance of retained profits will be added to reserves.

Key Performance Indicators

Turnover for the year has increased by 31.2% which equates to £111k per headcount. Operating profit percentage has decreased from 2011 as a result of significant investment in brand awareness nationwide.

Review of the Business and Future Developments

The cider industry remained buoyant and Thatchers' range of ciders growth outperformed the market. Both turnover and operating profit increased and the directors believe the company is in a very good position to continue to increase both measures.

The company has made continued investment in the year in plant and machinery and plan to continue with this strategy. The directors continually review the strategic direction of the company to keep ahead of ever changing market and consumer expectations, developing new innovative products whilst maintaining the Thatchers' reputation for quality premium ciders.

The directors believe the company is in an increasingly strong market position.

RESULTS

The profit for the year, after taxation, amounted to £3,308,487 (2011: £2,842,883).

DIRECTORS

The directors who served during the year were:

Mr J Thatcher
Mrs A M Thatcher
Mr M Thatcher
Mr W R Hunt (appointed 1 April 2012)

THATCHERS HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2012**

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

AUDITORS

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

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



Mr M Thatcher
Director

Date 28 MARCH 2013

Myrtle Farm
Station Road
Sandford
Somerset
BS25 5RA

THATCHERS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2012

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 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

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

The 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THATCHERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS HOLDINGS LIMITED

We have audited the financial statements of Thatchers Holdings Limited for the year ended 31 August 2012, set out on pages 6 to 25. 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, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2012 and of the group's 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THATCHERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Charles Thomson FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming
Chartered Accountants
Statutory Auditors
Cobourg House
Mayflower Street
Plymouth
PL1 1LG

7 May 2013

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2012**

| | Note | 2012 £ | 2011 £ |
|--|-------------|---------------------|-------------------|
| TURNOVER | 1,2 | 40,865,528 | 31,147,178 |
| Cost of sales | | (20,277,910) | (13,158,916) |
| GROSS PROFIT | | 20,587,618 | 17,988,262 |
| Distribution costs | | (5,442,038) | (5,814,195) |
| Administrative expenses | | (10,691,299) | (8,036,397) |
| Other operating income | 3 | 2,058 | 18,692 |
| OPERATING PROFIT | 4 | 4,456,339 | 4,156,362 |
| Interest receivable and similar income | | 3,042 | 1,297 |
| Interest payable and similar charges | 8 | (251,324) | (246,171) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 4,208,057 | 3,911,488 |
| Tax on profit on ordinary activities | 9 | (899,570) | (1,068,605) |
| PROFIT FOR THE FINANCIAL YEAR | | 3,308,487 | 2,842,883 |

All amounts relate to continuing operations

The notes on pages 11 to 25 form part of these financial statements

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2012**

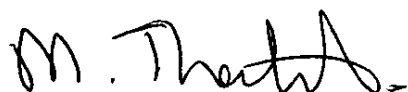
| | Note | 2012 £ | As restated 2011 £ |
|--|------|------------------|--------------------------|
| PROFIT FOR THE FINANCIAL YEAR | | 3,308,487 | 2,842,883 |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | | 3,308,487 | 2,842,883 |
| Prior year adjustment | 21 | (158,862) | |
| TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS | | 3,149,625 | |

The notes on pages 11 to 25 form part of these financial statements

THATCHERS HOLDINGS LIMITED
REGISTERED NUMBER: 06666091
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|---|------|-------------------|--------------------------|-------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 10 | | - | | 225 |
| Tangible assets | 11 | | 13,622,679 | | 12,384,683 |
| | | | <u>13,622,679</u> | | <u>12,384,908</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 2,977,080 | | 2,936,258 | |
| Debtors | 14 | 10,815,422 | | 7,335,174 | |
| Cash at bank | | 1,048,698 | | 1,663,684 | |
| | | <u>14,841,200</u> | | <u>11,935,116</u> | |
| CREDITORS amounts falling due within one year | 15 | (10,312,603) | | (8,130,582) | |
| NET CURRENT ASSETS | | | <u>4,528,597</u> | | <u>3,804,534</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>18,151,276</u> | | <u>16,189,442</u> |
| CREDITORS amounts falling due after more than one year | 16 | | (5,727,837) | | (6,644,849) |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 17 | | (140,082) | | (369,723) |
| NET ASSETS | | | <u><u>12,283,357</u></u> | | <u><u>9,174,870</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 19 | | 3,272,000 | | 3,272,000 |
| Revaluation reserve | 20 | | 58,125 | | 61,354 |
| Capital redemption reserve | 20 | | 777,100 | | 777,100 |
| Merger reserve | 20 | | 1,336,426 | | 1,336,426 |
| Profit and loss account | 20 | | 6,839,706 | | 3,727,990 |
| SHAREHOLDERS' FUNDS | | | <u><u>12,283,357</u></u> | | <u><u>9,174,870</u></u> |

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



Mr M Thatcher
Director

Date 28 MARCH 2013

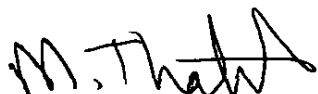
The notes on pages 11 to 25 form part of these financial statements

THATCHERS HOLDINGS LIMITED
REGISTERED NUMBER: 06666091

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|--|------|------------------|-------------------|------------------|-------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 6,207,423 | | 5,868,594 |
| Investments | 12 | | 1,500,000 | | 1,500,000 |
| | | | <u>7,707,423</u> | | <u>7,368,594</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 40,000 | | 40,000 | |
| Debtors | 14 | 4,386,120 | | 3,214,846 | |
| Cash at bank | | 17,775 | | 16,849 | |
| | | <u>4,443,895</u> | | <u>3,271,695</u> | |
| CREDITORS amounts falling due within one year | 15 | (477,948) | | (377,328) | |
| NET CURRENT ASSETS | | | <u>3,965,947</u> | | <u>2,894,367</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>11,673,370</u> | | <u>10,262,961</u> |
| CREDITORS: amounts falling due after more than one year | 16 | | (3,682,246) | | (4,124,042) |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 17 | | (24,332) | | (17,585) |
| NET ASSETS | | | <u>7,966,792</u> | | <u>6,121,334</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 19 | | 3,272,000 | | 3,272,000 |
| Revaluation reserve | 20 | | 58,125 | | 61,354 |
| Capital redemption reserve | 20 | | 777,100 | | 777,100 |
| Profit and loss account | 20 | | 3,859,567 | | 2,010,880 |
| SHAREHOLDERS' FUNDS | | | <u>7,966,792</u> | | <u>6,121,334</u> |

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



Mr M Thatcher
Director

Date 28 March 2013

The notes on pages 11 to 25 form part of these financial statements

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012**

| | Note | 2012 £ | 2011 £ |
|---|-------------|-------------------|--------------------|
| Net cash flow from operating activities | 23 | 6,029,277 | 2,457,278 |
| Returns on investments and servicing of finance | 24 | (248,282) | (244,874) |
| Taxation | | (1,166,287) | (1,011,995) |
| Capital expenditure and financial investment | 24 | (4,093,823) | (2,978,145) |
| Equity dividends paid | | (200,000) | (400,000) |
| CASH INFLOW/(OUTFLOW) BEFORE FINANCING | | 320,885 | (2,177,736) |
| Financing | 24 | (903,051) | 1,597,560 |
| DECREASE IN CASH IN THE YEAR | | (582,166) | (580,176) |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2012**

| | 2012 £ | 2011 £ |
|--|--------------------|--------------------|
| Decrease in cash in the year | (582,166) | (580,176) |
| Cash outflow from decrease in debt and lease financing | 903,051 | (1,597,560) |
| CHANGE IN NET DEBT RESULTING FROM CASH FLOWS | 320,885 | (2,177,736) |
| Other non-cash changes | - | 100,001 |
| MOVEMENT IN NET DEBT IN THE YEAR | 320,885 | (2,077,735) |
| Net debt at 1 September 2011 | (5,826,136) | (3,748,401) |
| NET DEBT AT 31 AUGUST 2012 | (5,505,251) | (5,826,136) |

The notes on pages 11 to 25 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and property and in accordance with applicable accounting standards

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Thatchers Holdings Limited and all of its subsidiary undertakings ('subsidiaries')

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account

The company has taken advantage of merger relief provisions for the consolidation of the financial statements

The profit and loss account for the year dealt with in the accounts of the company was £2,045,458 (2011 £2,082,191)

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

| | |
|---------------------|---|
| Freehold property | - 5% straight line |
| Plant & machinery | - 20% reducing balance |
| Motor vehicles | - 25% reducing balance |
| Fixtures & fittings | - 20% reducing balance |
| Kegs & Casks | - 3 years straight line |
| Other fixed assets | - Assets under construction are not depreciated |

1.6 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

1. ACCOUNTING POLICIES (continued)

1.7 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.11 FOREIGN CURRENCIES

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.

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.12 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

1.13 PENSIONS

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

2. TURNOVER

An analysis of turnover by class of business is as follows:

| | 2012 £ | 2011 £ |
|-------------------------------|-------------------|-------------------|
| Cider sales | 39,399,493 | 29,453,941 |
| Fruit processing | 1,432,530 | 1,651,501 |
| Property rental/sundry income | 33,505 | 41,736 |
| | <u>40,865,528</u> | <u>31,147,178</u> |

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

| | 2012 £ | 2011 £ |
|------------------------|--------------|---------------|
| Other operating income | <u>2,058</u> | <u>18,692</u> |

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2012 £ | 2011 £ |
|--|-----------------|-----------------|
| Amortisation - intangible fixed assets | 225 | 605 |
| Depreciation of tangible fixed assets | | |
| - owned by the group | 2,158,639 | 731,554 |
| - held under finance leases | 678,552 | 529,444 |
| Difference on foreign exchange | 6,103 | 26,826 |
| Research and development expenditure written off | 125,628 | - |
| Income from operating leases | <u>(32,393)</u> | <u>(40,629)</u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

5. AUDITORS' REMUNERATION

| | 2012 £ | 2011 £ |
|--|---------------|---------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | <u>13,500</u> | <u>10,600</u> |

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 2012 £ | 2011 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 3,614,038 | 2,976,779 |
| Social security costs | 9,192 | 11,563 |
| Other pension costs | 88,398 | 76,089 |
| | <u>3,711,628</u> | <u>3,064,431</u> |

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

| | 2012 No. | 2011 No. |
|---------------------------|-------------|-------------|
| Production | 42 | 42 |
| Distribution | 29 | 29 |
| Office and administration | 20 | 17 |
| | <u>91</u> | <u>88</u> |

7. DIRECTORS' REMUNERATION

| | 2012 £ | 2011 £ |
|---|----------------|----------------|
| Emoluments | <u>551,858</u> | <u>497,185</u> |
| Company pension contributions to defined contribution pension schemes | <u>24,000</u> | <u>23,000</u> |

During the year retirement benefits were accruing to 1 director (2011 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £115,552 (2011 £73,026)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,000 (2011 £23,000)

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

8. INTEREST PAYABLE

| | 2012 £ | 2011 £ |
|---|----------------|----------------|
| On bank loans and overdrafts | 148,805 | 136,419 |
| On other loans | 21,459 | 24,747 |
| On finance leases and hire purchase contracts | 81,060 | 85,005 |
| | <u>251,324</u> | <u>246,171</u> |

9 TAXATION

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| ANALYSIS OF TAX CHARGE IN THE YEAR | | |
| CURRENT TAX (see note below) | | |
| UK corporation tax charge on profit for the year | 1,223,271 | 1,061,339 |
| Adjustments in respect of prior periods | (94,060) | - |
| TOTAL CURRENT TAX | <u>1,129,211</u> | <u>1,061,339</u> |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | (91,523) | 7,266 |
| Effect of increased tax rate on opening liability | (34,398) | - |
| Adjustment in respect of prior periods | (103,720) | - |
| TOTAL DEFERRED TAX (see note 17) | <u>(229,641)</u> | <u>7,266</u> |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | <u>899,570</u> | <u>1,068,605</u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2011 lower than) the standard rate of corporation tax in the UK of 25 15% (2011 26%) The differences are explained below

| | 2012 £ | 2011 £ |
|---|-------------------------|-------------------------|
| Profit on ordinary activities before tax | <u>4,208,057</u> | <u>3,911,488</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 15% (2011 26%) | 1,058,326 | 1,016,987 |
| EFFECTS OF. | | |
| Non-tax deductible amortisation of goodwill and impairment | - | 52,116 |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 31,987 | - |
| Capital allowances for year in excess of depreciation | 94,127 | (36,593) |
| Change in rate | (4,856) | 38,467 |
| Adjustments to tax charge in respect of prior periods | (94,060) | - |
| Other differences | 39,954 | (13,075) |
| Other timing differences leading to an increase (decrease) in taxation | 3,733 | - |
| Other timing differences | - | 3,437 |
| CURRENT TAX CHARGE FOR THE YEAR (see note above) | <u><u>1,129,211</u></u> | <u><u>1,061,339</u></u> |

10. INTANGIBLE FIXED ASSETS

| | Trademarks £ |
|--|-------------------|
| GROUP | |
| COST | |
| At 1 September 2011 and 31 August 2012 | <u>11,362</u> |
| AMORTISATION | |
| At 1 September 2011 | 11,137 |
| Charge for the year | <u>225</u> |
| At 31 August 2012 | <u>11,362</u> |
| NET BOOK VALUE | |
| At 31 August 2012 | - |
| At 31 August 2011 | <u><u>225</u></u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

11 TANGIBLE FIXED ASSETS

| GROUP | Land and buildings £ | Plant & machinery £ | Motor vehicles £ | Furniture, fittings and equipment £ | Kegs & casks £ | Total £ |
|--|----------------------------|---------------------------|------------------------|--|----------------------|------------|
| COST OR VALUATION | | | | | | |
| At 1 September 2011 (as previously stated) | 6,497,920 | 14,709,483 | 424,518 | 258,484 | - | 21,890,405 |
| Prior year adjustment | - | - | - | - | 1,731,486 | 1,731,486 |
| At 1 September 2011 (as restated) | 6,497,920 | 14,709,483 | 424,518 | 258,484 | 1,731,486 | 23,621,891 |
| Additions | 567,587 | 862,840 | 126,698 | 42,559 | 2,506,336 | 4,106,020 |
| Disposals | - | (27,517) | (79,847) | - | (627,450) | (734,814) |
| At 31 August 2012 | 7,065,507 | 15,544,806 | 471,369 | 301,043 | 3,610,372 | 26,993,097 |
| DEPRECIATION | | | | | | |
| At 1 September 2011 (as previously stated) | 629,326 | 9,432,724 | 212,419 | 176,427 | - | 10,450,896 |
| Prior year adjustment | - | - | - | - | 786,312 | 786,312 |
| At 1 September 2011 (as restated) | 629,326 | 9,432,724 | 212,419 | 176,427 | 786,312 | 11,237,208 |
| Charge for the year | 228,758 | 1,097,690 | 77,291 | 20,845 | 1,412,607 | 2,837,191 |
| On disposals | - | (15,375) | (61,156) | - | (627,450) | (703,981) |
| At 31 August 2012 | 858,084 | 10,515,039 | 228,554 | 197,272 | 1,571,469 | 13,370,418 |
| NET BOOK VALUE | | | | | | |
| At 31 August 2012 | 6,207,423 | 5,029,767 | 242,815 | 103,771 | 2,038,903 | 13,622,679 |
| At 31 August 2011 (as restated) | 5,868,594 | 5,276,759 | 212,099 | 82,057 | 945,174 | 12,384,683 |

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

| GROUP | 2012 £ | As restated 2011 £ |
|-----------------------------------|------------------|--------------------------|
| Plant and machinery | 2,714,210 | 3,547,646 |
| Motor vehicles | - | 46,309 |
| Furniture, fittings and equipment | - | 7,399 |
| | <u>2,714,210</u> | <u>3,601,354</u> |

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

Cost or valuation at 31 August 2012 is as follows

| | Land and buildings £ |
|---------------------------------|----------------------------|
| GROUP | |
| AT COST | 7,000,925 |
| AT VALUATION: | |
| 17 October 2006 at market value | 64,582 |
| | <u>7,065,507</u> |

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

| | 2012 £ | As restated 2011 £ |
|--------------------------|-------------------------|--------------------------|
| GROUP | | |
| Cost | 7,000,925 | 6,433,337 |
| Accumulated depreciation | - | (494,643) |
| | <u>7,000,925</u> | <u>5,938,694</u> |
| Net book value | | |

| | Land and buildings £ |
|--------------------------|----------------------------|
| COMPANY | |
| COST OR VALUATION | |
| At 1 September 2011 | 6,497,920 |
| Additions | 567,587 |
| At 31 August 2012 | <u>7,065,507</u> |
| DEPRECIATION | |
| At 1 September 2011 | 629,326 |
| Charge for the year | 228,758 |
| At 31 August 2012 | <u>858,084</u> |
| NET BOOK VALUE | |
| At 31 August 2012 | <u>6,207,423</u> |
| At 31 August 2011 | <u>5,868,594</u> |

Cost or valuation at 31 August 2012 is as follows

| | Land and buildings £ |
|---------------------------------|----------------------------|
| COMPANY | |
| AT COST | 7,002,216 |
| AT VALUATION: | |
| 17 October 2006 at market value | 63,291 |
| | <u>7,065,507</u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

11 TANGIBLE FIXED ASSETS (continued)

The land and buildings (excluding the Railway Inn property) were revalued on 31 October 2012 by Savills on a full vacant possession basis at £4,250,000. This valuation is deemed to be materially different to the valuation of the property on an existing use basis. A review of future anticipated cash inflows from the property has supported the current valuation of the land and buildings held within the accounts at a net book value of £6.207m. The Railway Inn was valued on 28 September 2012 by Pinders at £325,000 subject to the existing tenancies.

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

| | 2012 £ | As restated 2011 £ |
|--------------------------|------------------|--------------------------|
| COMPANY | | |
| Cost | 7,002,217 | 6,433,337 |
| Accumulated depreciation | (634,713) | (494,643) |
| Net book value | <u>6,367,504</u> | <u>5,938,694</u> |

12 FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|--|---|
| COMPANY | |
| COST OR VALUATION | |
| At 1 September 2011 and 31 August 2012 | <u>1,500,000</u> |
| NET BOOK VALUE | |
| At 31 August 2012 | <u>1,500,000</u> |
| At 31 August 2011 | <u>1,500,000</u> |

13. STOCKS

| | GROUP | | COMPANY | |
|-------------------------------------|------------------|------------------|----------------|---------------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| Raw materials | 2,431,110 | 2,497,939 | 40,000 | 40,000 |
| Work in progress | 477,204 | 369,551 | - | - |
| Finished goods and goods for resale | 68,766 | 68,768 | - | - |
| | <u>2,977,080</u> | <u>2,936,258</u> | <u>40,000</u> | <u>40,000</u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

14. DEBTORS

| | GROUP | | COMPANY | |
|-------------------------------------|-------------------|------------------|------------------|------------------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| DUE AFTER MORE THAN ONE YEAR | | | | |
| Amounts owed by group undertakings | - | - | 4,381,691 | 3,207,948 |
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 10,594,662 | 7,165,201 | 4,343 | 6,898 |
| Other debtors | 825 | 440 | 86 | - |
| Prepayments and accrued income | 219,935 | 169,533 | - | - |
| | 10,815,422 | 7,335,174 | 4,386,120 | 3,214,846 |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | GROUP | | COMPANY | |
|---|-------------------|------------------|----------------|----------------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| Bank loans and overdrafts | 321,429 | 282,677 | 226,129 | 170,213 |
| Other loans | 100,000 | 100,000 | 100,000 | 100,000 |
| Net obligations under finance leases and hire purchase contracts | 411,269 | 470,527 | - | - |
| Trade creditors | 4,234,782 | 3,551,081 | - | 1,212 |
| Corporation tax | 650,263 | 687,339 | 75,262 | 77,072 |
| Social security and other taxes | 1,328,614 | 1,245,732 | - | 2,714 |
| Other creditors | 1,750,520 | 1,294,186 | - | - |
| Accruals and deferred income | 1,515,726 | 499,040 | 76,557 | 26,117 |
| | 10,312,603 | 8,130,582 | 477,948 | 377,328 |

The bank loans are secured on the freehold property or assets to which they relate. Repayment terms vary between the loans, between 8 and 16 years. Loans are subject to varying terms of interest, from fixed at 5.7%, and 1.2% to 2.1% over the Bank of England base rate.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | GROUP | | COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| Bank loans | 2,942,324 | 3,314,420 | 2,827,246 | 3,104,042 |
| Other loans | 855,000 | 1,020,000 | 855,000 | 1,020,000 |
| Net obligations under finance leases and hire purchase contracts | 1,923,927 | 2,302,196 | - | - |
| Deferred capital grants | 6,586 | 8,233 | - | - |
| | 5,727,837 | 6,644,849 | 3,682,246 | 4,124,042 |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

16. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Creditors include amounts not wholly repayable within 5 years as follows

| | GROUP | | COMPANY | |
|--------------------------|------------------|-----------|------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Repayable by instalments | 2,830,931 | 4,496,666 | 2,354,009 | 3,724,042 |

The bank loan is secured on the freehold property to which it relates and is repayable over twenty years. It is subject to interest of 1.16% over the bank base rate.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

| | GROUP | | COMPANY | |
|----------------------------|------------------|-----------|---------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Between one and five years | 1,449,703 | 1,532,944 | - | - |
| After five years | 474,224 | 769,252 | - | - |
| | 1,923,927 | 2,302,196 | - | - |

17. DEFERRED TAXATION

| | GROUP | | COMPANY | |
|---------------------------------------|------------------|---------|---------------|--------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| At beginning of year | 369,723 | 362,457 | 17,585 | (269) |
| (Released during)/charge for the year | (229,641) | 7,266 | 6,747 | 17,854 |
| At end of year | 140,082 | 369,723 | 24,332 | 17,585 |

The provision for deferred taxation is made up as follows

| | GROUP | | COMPANY | |
|--------------------------------|----------------|---------|---------------|--------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | 148,497 | 369,723 | 24,332 | 17,585 |
| Other timing differences | (8,415) | - | - | - |
| | 140,082 | 369,723 | 24,332 | 17,585 |

18. PRINCIPAL SUBSIDIARIES

| Company name | Country | Percentage Shareholding |
|-------------------------|----------------|-------------------------|
| Thatchers Cider Limited | United Kingdom | 100 |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

Thatchers Cider Company Limited has been included in the consolidated financial statements due to Thatchers Holdings Limited controlling shareholding which was acquired on 1 September 2008

Under the provisions available through FRS 6 the group has adopted merger accounting for the consolidation

The principal activity of Thatchers Cider Company Limited is the sale of cider and processing of fruit

19. SHARE CAPITAL

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 3,272,000 Ordinary shares of £1 each | <u>3,272,000</u> | <u>3,272,000</u> |

20. RESERVES

| | Capital redempt'n reserve £ | Revaluation reserve £ | Merger reserve £ | Profit and loss account £ |
|--|--------------------------------------|--------------------------------------|-----------------------------|---------------------------------|
| GROUP | | | | |
| At 1 September 2011 (as previously stated) | 777,100 | 61,354 | 1,336,426 | 3,886,852 |
| Prior year adjustment (note 21) | | | | (158,862) |
| At 1 September 2011 (as restated) | | | | <u>3,727,990</u> |
| Profit for the year | | | | 3,308,487 |
| Dividends Equity capital | | | | (200,000) |
| Transfer between Revaluation reserve and P/L account | | (3,229) | | 3,229 |
| At 31 August 2012 | <u>777,100</u> | <u>58,125</u> | <u>1,336,426</u> | <u>6,839,706</u> |
| | | Capital redempt'n reserve £ | Revaluation reserve £ | Profit and loss account £ |
| COMPANY | | | | |
| At 1 September 2011 | | 777,100 | 61,354 | 2,010,880 |
| Profit for the year | | | | 2,045,458 |
| Dividends Equity capital | | | | (200,000) |
| Transfer between Revaluation reserve and P/L account | | | (3,229) | 3,229 |
| At 31 August 2012 | | <u>777,100</u> | <u>58,125</u> | <u>3,859,567</u> |

21. PRIOR YEAR ADJUSTMENT

The prior year adjustment results from a change in accounting policy in relation to the treatment of Kegs & Casks. In line with FRS 15, Kegs & Casks are now capitalised and depreciated over their estimated useful economic life of 3 years on a straight line basis.

This results in a decrease in previous years retained earnings of £158,862

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

22. DIVIDENDS

| | 2012 £ | 2011 £ |
|----------------------------------|----------------|----------------|
| Dividends paid on equity capital | <u>200,000</u> | <u>400,000</u> |

23. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2012 £ | 2011 £ |
|--|-------------------------|-------------------------|
| Operating profit | 4,456,339 | 4,156,362 |
| Amortisation of intangible fixed assets | 225 | 605 |
| Depreciation of tangible fixed assets | 2,837,191 | 1,210,708 |
| Loss on disposal of tangible fixed assets | 18,636 | 1,493 |
| Increase in stocks | (40,820) | (1,486,765) |
| Increase in debtors | (3,480,248) | (2,792,730) |
| Increase in creditors | 2,237,954 | 1,367,605 |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | <u>6,029,277</u> | <u>2,457,278</u> |

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2012 £ | 2011 £ |
|--|-------------------------|-------------------------|
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | 3,042 | 1,297 |
| Interest paid | (170,264) | (161,166) |
| Hire purchase interest | (81,060) | (85,005) |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | <u>(248,282)</u> | <u>(244,874)</u> |

| | 2012 £ | 2011 £ |
|---|---------------------------|---------------------------|
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Purchase of tangible fixed assets | (4,106,020) | (3,206,577) |
| Sale of tangible fixed assets | 12,197 | 228,432 |
| NET CASH OUTFLOW FROM CAPITAL EXPENDITURE | <u>(4,093,823)</u> | <u>(2,978,145)</u> |

| | 2012 £ | 2011 £ |
|---|-------------------------|-------------------------|
| FINANCING | | |
| Repayment of loans | (300,524) | (32,671) |
| Repayment of other loans | (165,000) | (280,000) |
| (Repayment of)/new finance leases | (437,527) | 1,810,231 |
| Loans from directors | - | 100,000 |
| NET CASH (OUTFLOW)/INFLOW FROM FINANCING | <u>(903,051)</u> | <u>1,597,560</u> |

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

25. ANALYSIS OF CHANGES IN NET DEBT

| | 1 September 2011 £ | Cash flow £ | Other non-cash changes £ | 31 August 2012 £ |
|---|--------------------------|------------------|-----------------------------------|------------------------|
| Cash at bank and in hand | 1,663,684 | (614,986) | - | 1,048,698 |
| Bank overdraft | (32,820) | 32,820 | - | - |
| | <u>1,630,864</u> | <u>(582,166)</u> | <u>-</u> | <u>1,048,698</u> |
| DEBT. | | | | |
| Debts due within one year | (820,384) | 903,051 | (915,364) | (832,697) |
| Debts falling due after more than one year | (6,636,616) | - | 915,364 | (5,721,252) |
| | <u>(5,826,136)</u> | <u>320,885</u> | <u>-</u> | <u>(5,505,251)</u> |
| NET DEBT | | | | |

26. CAPITAL COMMITMENTS

At 31 August 2012 the group and company had capital commitments as follows

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|--------------|-----------|----------------|-----------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| Contracted for but not provided in these financial statements | - | 13,768 | - | - |

27. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £88,398 (2011 £76,089). There are no outstanding contributions at the balance sheet date.

28. RELATED PARTY TRANSACTIONS

At the year end the group owed Mr M Thatcher £200,000 (2011 £100,000).

During the year the group undertook the following transactions with John Thatcher Farming, a business that Mr J Thatcher, Mrs A M Thatcher and Mr M Thatcher are partners:

Management charges of £30,000 were incurred by the group (2011 £30,000). Apples were purchased (at trade prices) for £95,093 (2011 £36,425).

At the year end the group owed John Thatcher Farming £8,764 (2011 £8,764).

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

29 CONTROLLING PARTY

Throughout the year, the company was under the control of its directors who jointly own 100% of the share capital