

Registered number: 06666091

# **THATCHERS HOLDINGS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

WEDNESDAY



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COMPANIES HOUSE

 **Bishop Fleming**  
Chartered Accountants

# **THATCHERS HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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### **DIRECTORS**

Mr J Thatcher  
Mrs A M Thatcher  
Mr M Thatcher  
Mr W R Hunt

### **COMPANY SECRETARY**

Mrs A M Thatcher

### **REGISTERED NUMBER**

06666091

### **REGISTERED OFFICE**

Myrtle Farm  
Station Road  
Sandford  
Winscombe  
Somerset  
BS25 5RA

### **INDEPENDENT AUDITORS**

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

### **BANKERS**

HSBC Bank plc  
Weston-Super-Mare  
Somerset  
BS23 1JE

# **THATCHERS HOLDINGS LIMITED**

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## **THATCHERS HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2015**

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The directors present their strategic report and the financial statements for the year ended 31 August 2014.

#### **BUSINESS REVIEW**

The volume of cider sold during the year ended 31 August 2015 continued to grow driven by the increasing distribution and popularity of Thatchers cider range.

Whilst the underlying apple cider industry reported a level of retraction for 2015, the growth of Thatchers' range of ciders again outperformed the market for the sixth successive year. Both turnover and profitability continues to increase in line with plans. The directors believe the group is well positioned to continue to grow on all measures.

The group has established a programme of continued investment in plant and machinery in line with its strategic plan. During the year a further £7.0m was invested in the production facility. The strategic direction of the group is continuously assessed by the directors to ensure that the company remains aligned with ever changing market and consumer expectations. The group prides itself on being able to develop new, innovative products whilst maintaining the Thatchers' reputation for quality premium ciders.

The directors believe the group has established a strong market position and intends to continue to re-enforce the group's standing across all routes to market.

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

Economic risks remain a factor as the world economy continues to recover. Issues such as customer spending which remains restricted and the potential movement on interest rates are factors which the directors continue to monitor closely.

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

Turnover for the year has increased by 9% (£5.4m) and this turnover equates to £487,000 per headcount.

Operating profit percentage remains strong at 9.6% of turnover as a result of the additional volume of cider sold in the year.

#### **RESEARCH AND DEVELOPMENT ACTIVITIES**

The group and its directors continue to actively participate in the furtherance of the cider industry whilst running their own core research and development project.

This report was approved by the board on 19 January 2016 and signed on its behalf.



**Mr M Thatcher**  
Director

## **THATCHERS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2015**

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The directors present their report and the audited financial statements for the year ended 31 August 2015.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the group are those of manufacture and sale of cider, and the processing of fruit. The principal activities of the company is that of a holding company.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £4,593,358 (2014: £3,951,481).

During the year dividends of £3,500,000 (2014: £3,400,000) were recommended and paid.

#### **DIRECTORS**

The directors who served during the year were:

Mr J Thatcher  
Mrs A M Thatcher  
Mr M Thatcher  
Mr W R Hunt

#### **DONATIONS**

During the year, the group has made charitable donations of £14,338 (2014: £530) to the local community.

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

*The group has included mandatory directors' report disclosures within the strategic report as they are considered by the directors to be of strategic importance; as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.*

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

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

- so far as 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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

**THATCHERS HOLDINGS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**AUDITORS**

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

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



**Mr M Thatcher**  
Director

Date: 19 January 2016

Myrtle Farm  
Station Road  
Sandford  
Winscombe  
Somerset  
BS25 5RA

## **THATCHERS HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015**

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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 2015, set out on pages 7 to 26. 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2015 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 Group strategic report and 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**

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**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.



Andrew Sandiford BCom FCA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

19 January 2016

**THATCHERS HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>65,777,557</b>	60,361,944
Cost of sales		<u>(36,842,262)</u>	<u>(33,737,096)</u>
<b>GROSS PROFIT</b>		<b>28,935,295</b>	26,624,848
Distribution costs		(5,441,179)	(5,012,520)
Administrative expenses		(17,176,743)	(15,694,848)
Other operating income	3	<u>3,170</u>	<u>3,170</u>
<b>OPERATING PROFIT</b>	4	<b>6,320,543</b>	5,920,650
Interest receivable and similar income		2,597	2,776
Interest payable and similar charges	8	<u>(164,408)</u>	<u>(226,904)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>6,158,732</b>	5,696,522
Tax on profit on ordinary activities	9	<u>(1,565,374)</u>	<u>(1,745,041)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>4,593,358</u></b>	<b><u>3,951,481</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 11 to 26 form part of these financial statements.

**THATCHERS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06666091**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	10		331,722		-
Tangible assets	11		23,061,969		18,994,459
			<u>23,393,691</u>		<u>18,994,459</u>
<b>CURRENT ASSETS</b>					
Stocks	13	3,521,033		4,842,549	
Debtors	14	16,322,361		14,438,183	
Cash at bank and in hand		1,780,357		2,708,255	
		<u>21,623,751</u>		<u>21,988,987</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(23,558,975)</u>		<u>(19,639,449)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(1,935,224)</u>		<u>2,349,538</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>21,458,467</u>		<u>21,343,997</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(3,305,945)</u>		<u>(4,427,095)</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17		<u>(417,793)</u>		<u>(275,531)</u>
<b>NET ASSETS</b>			<u>17,734,729</u>		<u>16,641,371</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		3,272,000		3,272,000
Revaluation reserve	20		48,438		51,667
Capital redemption reserve	20		777,100		777,100
Merger reserve	20		1,336,426		1,336,426
Profit and loss account	20		12,300,765		11,204,178
<b>SHAREHOLDERS' FUNDS</b>	21		<u>17,734,729</u>		<u>16,641,371</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: 19 January 2016

The notes on pages 11 to 26 form part of these financial statements.

**THATCHERS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06666091**

**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	11		12,219,609		9,822,123
Investments	12		1,500,000		1,500,000
			<u>13,719,609</u>		<u>11,322,123</u>
<b>CURRENT ASSETS</b>					
Debtors	14	5,093,835		4,390,454	
Cash at bank		613		12,990	
		<u>5,094,448</u>		<u>4,403,444</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(7,143,010)		(3,652,351)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,048,562)</u>		<u>751,093</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,671,047</u>		<u>12,073,216</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(2,632,781)		(2,967,872)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17		(118,731)		(83,016)
<b>NET ASSETS</b>			<u>8,919,535</u>		<u>9,022,328</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		3,272,000		3,272,000
Revaluation reserve	20		48,438		51,667
Capital redemption reserve	20		777,100		777,100
Profit and loss account	20		4,821,997		4,921,561
<b>SHAREHOLDERS' FUNDS</b>	21		<u>8,919,535</u>		<u>9,022,328</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: 19 January 2016

The notes on pages 11 to 26 form part of these financial statements.

**THATCHERS HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	23	<b>9,270,245</b>	12,170,095
Returns on investments and servicing of finance	24	<b>(158,736)</b>	(224,128)
Taxation		<b>(1,146,923)</b>	(2,084,239)
Capital expenditure and financial investment	24	<b>(7,286,199)</b>	(7,837,439)
Equity dividends paid		-	(400,000)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>678,387</b>	1,624,289
Financing	24	<b>(1,620,125)</b>	(1,212,723)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(941,738)</b>	411,566

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>2015 £</b>	<b>2014 £</b>
(Decrease)/Increase in cash in the year	<b>(941,738)</b>	411,566
Cash outflow from decrease in debt and lease financing	<b>1,620,125</b>	1,212,723
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>678,387</b>	1,624,289
Net debt at 1 September 2014	<b>(2,873,629)</b>	(4,497,918)
<b>NET DEBT AT 31 AUGUST 2015</b>	<b>(2,195,242)</b>	(2,873,629)

The notes on pages 11 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015

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**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').

**1.3 TURNOVER**

Turnover comprising cider production and fruit processing is recognised by the group upon delivery during the year, exclusive of Value Added Tax and trade discounts.

Turnover related to rental income is recognised by the group as the service is provided during the year, exclusive of Value Added Tax and trade discounts.

**1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Trademarks are stated at cost less amortisation. Amortisation is provided at a rate calculated to write off the costs of trade marked over their expected useful lives.

**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 and machinery	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% reducing balance
Kegs & casks	-	3 years straight line, with a full year of depreciation in the year of purchase

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015

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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 group. 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 not 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 2015

### 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:

	2015 £	2014 £
Cider sales	63,860,552	58,741,861
Fruit processing	1,832,591	1,554,815
Property rental and other sundry income	84,414	65,268
	<u>65,777,557</u>	<u>60,361,944</u>

All turnover originates from the UK. The geographical analysis of turnover by destination has been excluded from the financial statements.

### 3. OTHER OPERATING INCOME

	2015 £	2014 £
Other operating income	<u>3,170</u>	<u>3,170</u>

### 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Amortisation - intangible fixed assets	11,562	-
Depreciation of tangible fixed assets:		
- owned by the group	2,565,367	2,068,980
- held under finance leases	302,504	953,401
Difference on foreign exchange	(39,758)	(44,438)
Income from operating leases	(84,150)	(65,268)
Loss / (profit) on disposal of fixed assets	7,534	(3,553)
Operating lease rentals:		
- other operating leases	58,086	21,191
- plant and machinery	68,910	-
	<u></u>	<u></u>



**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**5. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the group's auditor for the audit of the group's annual accounts	23,725	22,250
Fees payable to the group's auditor in respect of: Tax compliance and related services	3,775	9,163
	<u>27,500</u>	<u>31,413</u>

**6. STAFF COSTS**

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

	2015 £	2014 £
Wages and salaries	4,851,394	4,179,203
Social security costs	511,016	416,784
Other pension costs	151,709	110,170
	<u>5,514,119</u>	<u>4,706,157</u>

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

	2015 No.	2014 No.
Production	51	48
Distribution	59	53
Office and administration	25	22
	<u>135</u>	<u>123</u>

**7. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	241,160	180,793
Company pension contributions to defined contribution pension schemes	24,000	24,000

During the year retirement benefits were accruing to 1 director (2014: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £195,171 (2014: £177,483).

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 (2014: £34,000).

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8. INTEREST PAYABLE**

	2015 £	2014 £
On bank loans and overdrafts	83,266	113,495
On other loans	24,496	14,473
On finance leases and hire purchase contracts	53,571	98,936
Other interest payable	3,075	-
	<u>164,408</u>	<u>226,904</u>

**9. TAXATION**

	2015 £	2014 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	1,162,728	1,049,517
Adjustments in respect of prior periods	(456)	(40,094)
	<u>1,162,272</u>	<u>1,009,423</u>
Group taxation relief	260,840	529,915
<b>TOTAL CURRENT TAX</b>	<u>1,423,112</u>	<u>1,539,338</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	142,262	214,811
Effect of increased tax rate on opening liability	-	(9,108)
<b>TOTAL DEFERRED TAX</b> (see note 17)	<u>142,262</u>	<u>205,703</u>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>1,565,374</u>	<u>1,745,041</u>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**9. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.58% (2014: 22.12%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>6,158,732</u>	<u>5,696,522</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.58% (2014: 22.12%)	1,267,517	1,274,036
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	96,557	24,473
Capital allowances for year in excess of depreciation	(150,257)	(167,855)
Adjustments to tax charge in respect of prior periods	(456)	(40,094)
Other timing differences leading to an increase (decrease) in taxation	3,866	(1,110)
Non-taxable income	(653)	(222)
Group relief	(54,060)	(79,805)
Marginal relief	(242)	-
Payment for group relief	260,840	529,915
<b>CURRENT TAX CHARGE FOR THE YEAR (see note above)</b>	<u><u>1,423,112</u></u>	<u><u>1,539,338</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The 2015 Budget on 8 July 2015 announced that the UK corporation tax rate will reduce to 19% by 2017 and then to 18% by 2020. These changes are yet to be substantively enacted.

**10. INTANGIBLE FIXED ASSETS**

	Trademarks £
<b>GROUP</b>	
<b>COST</b>	
At 1 September 2014	11,362
Additions	343,284
At 31 August 2015	<u>354,646</u>
<b>AMORTISATION</b>	
At 1 September 2014	11,362
Charge for the year	11,562
At 31 August 2015	<u>22,924</u>
<b>NET BOOK VALUE</b>	
At 31 August 2015	<u><u>331,722</u></u>
At 31 August 2014	<u><u>-</u></u>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**11. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Kegs &amp; casks £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>						
At 1 September 2014	11,242,422	19,420,368	608,175	680,688	2,021,795	33,973,448
Additions	2,790,481	3,708,483	313,088	39,779	104,000	6,955,831
Disposals	-	(27,758)	(56,945)	-	(941,795)	(1,026,498)
At 31 August 2015	14,032,903	23,101,093	864,318	720,467	1,184,000	39,902,781
<b>DEPRECIATION</b>						
At 1 September 2014	1,420,299	12,189,425	228,534	152,868	987,863	14,978,989
Charge for the year	422,741	1,491,267	124,304	120,960	708,599	2,867,871
On disposals	-	(25,646)	(38,607)	-	(941,795)	(1,006,048)
At 31 August 2015	1,843,040	13,655,046	314,231	273,828	754,667	16,840,812
<b>NET BOOK VALUE</b>						
At 31 August 2015	12,189,863	9,446,047	550,087	446,639	429,333	23,061,969
At 31 August 2014	9,822,123	7,230,943	379,641	527,820	1,033,932	18,994,459

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

<b>GROUP</b>	<b>2015 £</b>	<b>2014 £</b>
Plant and machinery	1,193,397	2,243,975

Freehold land and buildings includes £2,482,572 of land that is not depreciated. Freehold property also includes assets under the course of construction amounting to £2,825,347 on which depreciation has not been charged.

Cost or valuation at 31 August 2015 is as follows:

<b>GROUP</b>	<b>Land and buildings £</b>
<b>AT COST</b>	13,082,112
<b>AT VALUATION:</b>	
31 August 2004 market valuation uplift	594,901
17 October 2006 market valuation uplift	291,308
1 September 2008 valuation uplift on intra group transfer	64,582
	14,032,903

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TANGIBLE FIXED ASSETS (continued)**

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

<b>GROUP</b>	<b>2015 £</b>	<b>2014 £</b>
Cost	13,082,112	10,291,631
Accumulated depreciation	(2,433,219)	(2,059,839)
<b>Net book value</b>	<b>10,648,893</b>	<b>8,231,792</b>

  

	<b>Freehold property £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>COMPANY</b>			
<b>COST OR VALUATION</b>			
At 1 September 2014	11,242,422	-	11,242,422
Additions	2,790,481	31,000	2,821,481
<b>At 31 August 2015</b>	<b>14,032,903</b>	<b>31,000</b>	<b>14,063,903</b>
<b>DEPRECIATION</b>			
At 1 September 2014	1,420,299	-	1,420,299
Charge for the year	422,741	1,254	423,995
<b>At 31 August 2015</b>	<b>1,843,040</b>	<b>1,254</b>	<b>1,844,294</b>
<b>NET BOOK VALUE</b>			
At 31 August 2015	12,189,863	29,746	12,219,609
At 31 August 2014	9,822,123	-	9,822,123

Cost or valuation at 31 August 2015 is as follows:

<b>COMPANY</b>	<b>Land and buildings £</b>
<b>AT COST</b>	<b>13,968,321</b>
<b>AT VALUATION:</b>	
1 September 2008 valuation uplift on intra group transfer	64,582
	<b>14,032,903</b>

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 supported the land and buildings value at 31 August 2012 of £6,207,423. The Railway Inn, prior to the recent developments, was valued on 28 September 2012 by Pinders at £325,000 subject to the existing tenancies.

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TANGIBLE FIXED ASSETS (continued)**

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

	2015 £	2014 £
<b>COMPANY</b>		
Cost	13,968,321	11,177,840
Accumulated depreciation	(1,873,413)	(1,465,580)
Net book value	<u>12,094,908</u>	<u>9,712,260</u>

**12. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COMPANY</b>	
<b>COST OR VALUATION</b>	
At 1 September 2014 and 31 August 2015	<u>1,500,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2015	<u>1,500,000</u>
At 31 August 2014	<u>1,500,000</u>

Details of the principal subsidiaries can be found under note number 18.

**13. STOCKS**

	<b>GROUP</b>		<b>COMPANY</b>	
	2015 £	2014 £	2015 £	2014 £
Cider, concentrates, juices and ingredients	3,126,763	4,196,238	-	-
Containers and packaging	330,937	387,708	-	-
Equipment	63,333	258,603	-	-
	<u>3,521,033</u>	<u>4,842,549</u>	<u>-</u>	<u>-</u>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	14,518,456	13,093,554	-	1,880
Amounts owed by group undertakings	1,371,249	782,997	5,090,113	4,367,916
Other debtors	2,149	21,050	-	18,207
Prepayments and accrued income	430,507	540,582	3,722	2,451
	<b>16,322,361</b>	<b>14,438,183</b>	<b>5,093,835</b>	<b>4,390,454</b>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	246,822	265,139	232,982	230,873
Other loans	100,000	100,000	100,000	100,000
Net obligations under finance leases and hire purchase contracts	322,833	791,709	-	-
Trade creditors	9,018,251	7,490,045	4,340	-
Amounts owed to group undertakings	6,693,525	3,223,984	6,693,525	3,223,984
Corporation tax	448,126	450,984	4,403	-
Other taxation and social security	1,480,004	2,153,887	7,168	6,885
Other creditors	2,216,069	2,273,121	2,750	2,750
Accruals and deferred income	3,033,345	2,890,580	97,842	87,859
	<b>23,558,975</b>	<b>19,639,449</b>	<b>7,143,010</b>	<b>3,652,351</b>

The bank loans are secured on the freehold property or assets to which they relate. Repayment terms remaining of loans vary between 4 and 12 years. Loans are subject to interest rates between 1.16% to 2.1% fixed variable over the Bank of England base rate.

Other loans represents unsecured loan notes, on which interest of 2% is charged per annum.

Amounts due on hire purchase contracts are secured upon the assets to which they relate.

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**16. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	2,132,781	2,367,872	2,132,781	2,367,872
Other loans	500,000	600,000	500,000	600,000
Net obligations under finance leases and hire purchase contracts	673,164	1,457,164	-	-
Deferred capital grants	-	2,059	-	-
	<b>3,305,945</b>	<b>4,427,095</b>	<b>2,632,781</b>	<b>2,967,872</b>

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	1,337,708	1,729,196	1,337,708	1,629,000

The bank loan is secured on the freehold property to which it relates and is repayable over 20 years, of which 12 years remain. It is subject to interest rates between 1.16% to 2.1% fixed variable over the Bank of England base rate.

Other loans represents unsecured loan notes, on which interest of 2% is charged per annum.

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between one and five years	673,164	1,356,968	-	-
After five years	-	100,196	-	-
	<b>673,164</b>	<b>1,457,164</b>	<b>-</b>	<b>-</b>

Amounts due on hire purchase contracts are secured upon the assets to which they relate.

**17. DEFERRED TAXATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	275,531	69,828	83,016	34,264
Charge for the year (P&L)	142,262	205,703	35,715	48,752
At end of year	<b>417,793</b>	<b>275,531</b>	<b>118,731</b>	<b>83,016</b>



**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**17. DEFERRED TAXATION (continued)**

The provision for deferred taxation is made up as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	423,977	277,961	119,131	83,416
Other timing differences	(6,184)	(2,430)	(400)	(400)
	<b>417,793</b>	<b>275,531</b>	<b>118,731</b>	<b>83,016</b>

**18. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Thatchers Cider Company Limited	United Kingdom	100%	Sale of cider and processing of fruit

**19. SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
3,272,000 Ordinary shares of £1 each	<b>3,272,000</b>	<b>3,272,000</b>

**20. RESERVES**

	<b>Capital redempt'n reserve</b>	<b>Revaluation reserve</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>GROUP</b>				
At 1 September 2014	777,100	51,667	1,336,426	11,204,178
Profit for the financial year				4,593,358
Dividends: Equity capital				(3,500,000)
Transfer between Revaluation reserve and P/L account		(3,229)		3,229
At 31 August 2015	<b>777,100</b>	<b>48,438</b>	<b>1,336,426</b>	<b>12,300,765</b>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**20. RESERVES (continued)**

<b>COMPANY</b>	<b>Capital redempt'n reserve £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 1 September 2014	777,100	51,667	4,921,561
Profit for the financial year			3,397,207
Dividends: Equity capital			(3,500,000)
Transfer between Revaluation reserve and P/L account		(3,229)	3,229
At 31 August 2015	<u>777,100</u>	<u>48,438</u>	<u>4,821,997</u>

**21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>GROUP</b>	<b>2015 £</b>	<b>2014 £</b>
Opening shareholders' funds	16,641,371	16,089,890
Profit for the financial year	4,593,358	3,951,481
Dividends (Note 22)	(3,500,000)	(3,400,000)
Closing shareholders' funds	<u>17,734,729</u>	<u>16,641,371</u>

  

<b>COMPANY</b>	<b>2015 £</b>	<b>2014 £</b>
Opening shareholders' funds	9,022,328	9,619,434
Profit for the financial year	3,397,207	2,802,894
Dividends (Note 22)	(3,500,000)	(3,400,000)
Closing shareholders' funds	<u>8,919,535</u>	<u>9,022,328</u>

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

The profit for the year dealt with in the accounts of the company was £3,397,207 (2014: £2,802,894).

**22. DIVIDENDS**

	<b>2015 £</b>	<b>2014 £</b>
Dividends paid on equity capital	<u>3,500,000</u>	<u>3,400,000</u>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	6,320,543	5,920,650
Amortisation of intangible fixed assets	11,562	-
Depreciation of tangible fixed assets	2,867,871	3,022,381
Loss/(profit) on disposal of tangible fixed assets	7,534	(3,553)
Decrease/(increase) in stocks	1,321,516	(1,570,015)
(Increase)/decrease in debtors	(1,314,131)	2,138,336
(Increase)/decrease in amounts owed by group undertakings	(879,551)	335,295
Increase in creditors	934,901	2,327,001
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>9,270,245</b>	<b>12,170,095</b>

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

	2015 £	2014 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	2,597	2,776
Interest paid	(107,762)	(127,968)
Hire purchase interest	(53,571)	(98,936)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>(158,736)</b>	<b>(224,128)</b>

	2015 £	2014 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of intangible fixed assets	(343,284)	-
Purchase of tangible fixed assets	(6,955,831)	(7,863,439)
Sale of tangible fixed assets	12,916	26,000
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(7,286,199)</b>	<b>(7,837,439)</b>

	2015 £	2014 £
<b>FINANCING</b>		
Repayment of loans	(267,248)	(319,362)
Repayment of other loans	(100,000)	(105,000)
Repayment of finance leases	(1,252,877)	(788,361)
<b>NET CASH OUTFLOW FROM FINANCING</b>	<b>(1,620,125)</b>	<b>(1,212,723)</b>

**THATCHERS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**25. ANALYSIS OF CHANGES IN NET DEBT**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand	2,708,255	(927,898)	-	1,780,357
Bank overdraft	-	(13,840)	-	(13,840)
	<u>2,708,255</u>	<u>(941,738)</u>	<u>-</u>	<u>1,766,517</u>
<b>DEBT:</b>				
Debts due within one year	(1,156,848)	1,620,125	(1,119,091)	(655,814)
Debts falling due after more than one year	(4,425,036)	-	1,119,091	(3,305,945)
	<u>(2,873,629)</u>	<u>678,387</u>	<u>-</u>	<u>(2,195,242)</u>
<b>NET DEBT</b>	<u>(2,873,629)</u>	<u>678,387</u>	<u>-</u>	<u>(2,195,242)</u>

**26. CONTINGENT LIABILITIES**

An unlimited multilateral guarantee dated 4 September 2008 has been granted by Thatchers Cider Company Limited and Thatchers Holdings Limited.

In addition to the securities noted in note 15 and 16 there is a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 1 March 1999. These securities are held by HSBC Bank plc in relation to facilities supplied to the group. At the year end the total liability of these facilities was £Nil (2014: £Nil).

**27. CAPITAL COMMITMENTS**

At 31 August 2015 the group and company had capital commitments as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	2015 £	2014 £	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>2,626,997</u>	<u>1,934,422</u>	<u>926,796</u>	<u>1,281,146</u>

**28. PENSION COMMITMENTS**

The group operates a defined contribution 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 £151,709 (2014: £110,170). Contributions totalling £31,672 (2014: £12,147) were still owed to the scheme at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS  
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**29. RELATED PARTY TRANSACTIONS**

During the year Mr M Thatcher, a director, charged the group rent of £56,087 (2014: £21,291). At the year end the group owed Mr M Thatcher £14,064 (2014: £Nil).

In addition, at the year end the group owed Mr M Thatcher, a director, £240,148 (2014: £275,250). During the year interest of £9,441 (2014: £9,547) was charged on this loan.

At the year end the group owed Mrs A Thatcher, a director, £Nil (2014: £32,050). During the year interest of £1,952 (2014: £3,534) was charged on this loan.

At the year end the group owed Mr J Thatcher, a director, £Nil (2014: £Nil). During the year interest of £Nil (2014: £1,528) was charged on this loan.

During the year the group made sales of £127,798 (2014: £128,325) to Hogs Back Brewery Limited, a company in which Mr R Thompson, a subsidiary director, is the majority shareholder. At the year end Hogs Back Brewery Limited owed the group £38,406 (2014: £40,076).

During the year the group made purchases of £Nil (2014: £16,547) from Ryland Thompson Limited, a company in which Mr R Thompson, a subsidiary director, is the sole shareholder. At the year end the group owed Ryland Thompson Limited £Nil (2014: £Nil).

During the year Lord D M Jones, a director of the subsidiary company, charged consultancy fees of £6,750 (2014: Nil). At the year end the group owed Lord D M Jones £Nil (2014: £Nil).

The company is a wholly owned subsidiary of Thatchers (Myrtle Farm) Limited, which is also the parent company of John Thatcher Farming Limited, and as such has taken advantage of the exemption contained in FRS 8 not to disclose transactions or balances with that company. The group accounts of Thatchers (Myrtle Farm) Limited, within which John Thatcher Farming Limited, Thatchers Cider Company Limited and this company are included, are filed at the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

**30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate controlling party and parent company is Thatchers (Myrtle Farm) Limited, a company under the control of the principal directors who jointly own 100% of the share capital. Thatchers (Myrtle Farm) Limited is registered in England and Wales.

The largest group in which the results of the company and group are consolidated is that headed by Thatchers (Myrtle Farm) Limited. The consolidated accounts are available to the public and may be obtained from Myrtle Farm, Station Road, Sandford, Winscombe, BS25 5RA.