

THATCHERS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



THATCHERS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr J Thatcher
Mrs A M Thatcher
Mr M Thatcher
Mr W R Hunt (resigned 12 August 2016)
Mr R Davis (appointed 17 January 2017)

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 2016

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Whilst the underlying apple cider industry was in decline the growth of the Thatchers' range of ciders again outperformed the market and effectively gained further overall market share. The directors believe the company is well positioned to continue to grow the company on all measures.

The company continues with its established programme of investment in plant and machinery in line with its strategic plan. During the year a further £5,983,034 was invested in the production facility. The strategic direction of the company is continuously assessed by the directors to ensure that the company remains aligned with ever changing market and consumer expectations. The company prides itself on being able to develop new, innovative products whilst maintaining the Thatchers' reputation for quality premium ciders.

The directors believe the company has established a strong market position and intend to continue to re-enforce the company'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 10% (£6.9m) and this turnover equates to £527,000 per headcount.

Operating profit percentage remains strong at 10.1% of turnover as a result of 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



Mr M Thatcher
Director

18/4/17

and signed on its behalf.

THATCHERS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

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

PRINCIPAL ACTIVITY

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 £5,317,715 (2015: £4,593,358).

During the year dividends of £3,500,000 (2015: £3,500,000) 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 (resigned 12 August 2016)

DONATIONS

During the year, the company has made charitable donations of £5,000 (2015: £14,338) to the the Thatchers Foundation, which aims to support the local community. A further £50,000 donation has also been pledged.

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

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: 12/4/17

Myrtle Farm
Station Road
Sandford
Winscombe
Somerset
BS25 5RA

THATCHERS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

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 2016, set out on pages 7 to 40. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 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 Financial Reporting Council'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 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (including Financial Reporting Standard 102); 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 those financial statements.

THATCHERS HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS HOLDINGS 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 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

Date:

19/4/12

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Turnover	3	72,659,893	65,777,557
Cost of sales		(39,848,041)	(36,842,262)
GROSS PROFIT		32,811,852	28,935,295
Distribution costs		(6,385,972)	(5,441,179)
Administrative expenses		(19,628,882)	(17,176,743)
Other operating income	4	3,171	3,170
OPERATING PROFIT	5	6,800,169	6,320,543
Interest receivable and similar income	9	1,267	2,597
Interest payable and expenses	10	(171,244)	(164,408)
PROFIT BEFORE TAXATION		6,630,192	6,158,732
Tax on profit	11	(1,312,477)	(1,565,374)
PROFIT FOR THE YEAR		5,317,715	4,593,358

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 16 to 40 form part of these financial statements.

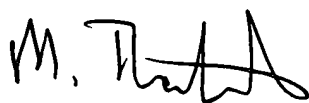
All amounts relate to continuing operations.

THATCHERS HOLDINGS LIMITED
REGISTERED NUMBER:06666091

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016

	Note	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	14		297,334		331,722
Tangible assets	15		28,420,205		23,061,969
			<u>28,717,539</u>		<u>23,393,691</u>
CURRENT ASSETS					
Stocks	18	3,496,809		3,521,033	
Debtors: amounts falling due within one year	19	18,676,621		16,322,361	
Cash at bank and in hand	20	1,880,187		1,780,357	
		<u>24,053,617</u>		<u>21,623,751</u>	
Creditors: amounts falling due within one year	21	(30,128,703)		(23,558,975)	
NET CURRENT LIABILITIES			<u>(6,075,086)</u>		<u>(1,935,224)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,642,453</u>		<u>21,458,467</u>
Creditors: amounts falling due after more than one year	22		(2,644,613)		(3,305,945)
PROVISIONS FOR LIABILITIES					
Deferred taxation	26	(445,396)		(417,793)	
			<u>(445,396)</u>		<u>(417,793)</u>
NET ASSETS			<u>19,552,444</u>		<u>17,734,729</u>
CAPITAL AND RESERVES					
Called up share capital	27	3,272,000		3,272,000	
Revaluation reserve	28	45,209		48,438	
Capital redemption reserve	28	777,100		777,100	
Merger reserve	28	1,336,426		1,336,426	
Profit and loss account	28	14,121,709		12,300,765	
			<u>19,552,444</u>		<u>17,734,729</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:

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
REGISTERED NUMBER:06666091

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016

		Note	2016 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	15		13,335,784		12,219,609
Investments	16		1,500,000		1,500,000
			14,835,784		13,719,609
CURRENT ASSETS					
Debtors: amounts falling due within one year	19	7,054,095		5,093,835	
Cash at bank and in hand	20	65		613	
		7,054,160		5,094,448	
Creditors: amounts falling due within one year	21	(10,637,341)		(7,143,010)	
NET CURRENT LIABILITIES			(3,583,181)		(2,048,562)
TOTAL ASSETS LESS CURRENT LIABILITIES			11,252,603		11,671,047
Creditors: amounts falling due after more than one year	22		(2,297,629)		(2,632,781)
PROVISIONS FOR LIABILITIES					
Deferred taxation	26	(142,636)		(118,731)	
			(142,636)		(118,731)
NET ASSETS			8,812,338		8,919,535
CAPITAL AND RESERVES					
Called up share capital	27		3,272,000		3,272,000
Revaluation reserve	28		45,209		48,438
Capital redemption reserve	28		777,100		777,100
Profit and loss account	28		4,718,029		4,821,997
			8,812,338		8,919,535

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



Mr M Thatcher

Director 12/4/17

Date:

The notes on pages 16 to 39 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 September 2015	3,272,000	777,100	48,438	1,336,426	12,300,765	17,734,729
Profit for the year	-	-	-	-	5,317,715	5,317,715
Dividends: Equity capital	-	-	-	-	(3,500,000)	(3,500,000)
Transfer to profit and loss account	-	-	(3,229)	-	3,229	-
AT 31 AUGUST 2016	3,272,000	777,100	45,209	1,336,426	14,121,709	19,552,444

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2015**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 September 2014	3,272,000	777,100	51,667	1,336,426	11,204,178	16,641,371
Profit for the year	-	-	-	-	4,593,358	4,593,358
Dividends: Equity capital	-	-	-	-	(3,500,000)	(3,500,000)
Transfer to profit and loss account	-	-	(3,229)	-	3,229	-
AT 31 AUGUST 2015	3,272,000	777,100	48,438	1,336,426	12,300,765	17,734,729

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2015	3,272,000	777,100	48,438	4,821,997	8,919,535
Profit for the year	-	-	-	3,392,803	3,392,803
Dividends: Equity capital	-	-	-	(3,500,000)	(3,500,000)
Transfer to profit and loss account	-	-	(3,229)	3,229	-
AT 31 AUGUST 2016	3,272,000	777,100	45,209	4,718,029	8,812,338

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2015

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2014	3,272,000	777,100	51,667	4,921,561	9,022,328
Profit for the year	-	-	-	3,397,207	3,397,207
Dividends: Equity capital	-	-	-	(3,500,000)	(3,500,000)
Transfer to profit and loss account	-	-	(3,229)	3,229	-
AT 31 AUGUST 2015	3,272,000	777,100	48,438	4,821,997	8,919,535

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	5,317,715	4,593,358
ADJUSTMENTS FOR:		
Amortisation of intangible assets	34,388	11,562
Depreciation of tangible assets	3,629,655	2,867,871
Loss on disposal of tangible assets	95,142	7,534
Interest paid	171,245	164,408
Interest received	(1,267)	(2,597)
Corporation tax charge	1,312,477	1,565,374
Decrease in stocks	24,224	1,321,516
(Increase) in debtors	(1,812,623)	(1,314,131)
Decrease in amounts owed by group companies	(141,014)	(879,551)
Increase in creditors	3,009,642	934,901
Increase in amounts owed to group companies	(262,370)	-
Corporation tax paid	(1,154,522)	(1,146,923)
NET CASH GENERATED FROM OPERATING ACTIVITIES	10,222,692	8,123,322
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(343,284)
Purchase of tangible fixed assets	(9,513,706)	(6,955,831)
Sale of tangible fixed assets	30,051	12,916
Interest received	1,267	2,597
HP interest paid	(37,807)	(53,571)
NET CASH FROM INVESTING ACTIVITIES	(9,520,195)	(7,337,173)

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

	2016 £	2015 £
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(232,516)	(267,248)
Repayment of other loans	(20,000)	(100,000)
Repayment of finance leases	(322,832)	(1,252,877)
Interest paid	(133,438)	(107,762)
NET CASH USED IN FINANCING ACTIVITIES	<u>(708,786)</u>	<u>(1,727,887)</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(6,289)</u>	<u>(941,738)</u>
Cash and cash equivalents at beginning of year	1,766,517	2,708,255
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>1,760,228</u></u>	<u><u>1,766,517</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,880,187	1,780,357
Bank overdrafts	(119,959)	(13,840)
	<u><u>1,760,228</u></u>	<u><u>1,766,517</u></u>

The notes on pages 16 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. GENERAL INFORMATION

Thatchers Holdings Limited is a company limited by shares incorporated in England and Wales. The registered office is Myrtle Farm, Station Road, Sandford, Winscombe, BS25 5RA.

2. ACCOUNTING POLICIES

2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 35.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 September 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. ACCOUNTING POLICIES (continued)

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. ACCOUNTING POLICIES (continued)

2.4 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods detailed below.

The estimated useful lives range as follows:

Freehold property	- 5% straight line
Plant and machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 20% reducing balance
Kegs & casks (included within plant and machinery)	- 3 years straight line with a full year of depreciation in the year of purchase

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.5 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. ACCOUNTING POLICIES (continued)

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. ACCOUNTING POLICIES (continued)

2.10 FINANCIAL INSTRUMENTS (CONTINUED)

position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.13 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 FINANCE COSTS

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. ACCOUNTING POLICIES (continued)

2.15 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 PENSIONS

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

2.17 UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumption that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

2.18 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. ACCOUNTING POLICIES (continued)

2.19 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Trademarks	-	10	years
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2.20 OPERATING LEASES: THE GROUP AS LESSOR

Rentals income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.21 LEASED ASSETS: THE GROUP AS LESSEE

Assets obtained under hire purchase contract 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 Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**2. ACCOUNTING POLICIES (continued)****2.22 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. TURNOVER

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

	2016 £	2015 £
Cider sales	70,373,889	63,702,739
Fruit processing	1,399,472	1,832,591
Property rental and other sundry income	116,885	84,414
Public house (Railway Inn) sales	769,647	157,813
	<u>72,659,893</u>	<u>65,777,557</u>

4. OTHER OPERATING INCOME

	2016 £	2015 £
Other operating income	3,171	3,170
	<u>3,171</u>	<u>3,170</u>

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	3,629,655	2,867,871
Loss on disposal of tangible fixed assets	95,142	7,534
Amortisation of intangible assets, including goodwill	34,388	11,562
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	23,500	23,725
Exchange differences	60,979	(39,758)
Defined contribution pension cost	170,542	151,709
	<u>170,542</u>	<u>151,709</u>

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	23,500	23,725
Fees payable to the group's auditor in respect of tax compliance and related services	18,669	3,775
	<u>18,669</u>	<u>3,775</u>

7. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	5,503,432	4,868,871
Social security costs	575,050	511,016
Cost of defined contribution scheme	170,542	151,709
	<u>6,249,024</u>	<u>5,531,596</u>

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

	2016 No.	2015 No.
Production	53	51
Distribution	64	59
Office and administration	27	25
Public house (Railway Inn)	26	-
	<u>170</u>	<u>135</u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. DIRECTORS' REMUNERATION

	2016	2015
	£	£
Directors' emoluments	247,174	241,160
Company contributions to defined contribution pension schemes	24,000	24,000
	271,174	265,160

During the year retirement benefits were accruing to 1 director (2015: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £194,334 (2015: £195,171).

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 (2015: £24,000).

9. INTEREST RECEIVABLE

	2016	2015
	£	£
Other interest receivable	1,267	2,597
	1,267	2,597

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest payable	100,628	69,318
Other loan interest payable	18,657	38,444
Finance leases and hire purchase contracts	37,807	53,571
Other interest payable	14,152	3,075
	171,244	164,408

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	1,284,874	1,162,728
Adjustments in respect of previous periods	-	(456)
	<u>1,284,874</u>	<u>1,162,272</u>
Group taxation relief	-	260,840
	<u>1,284,874</u>	<u>1,423,112</u>
TOTAL CURRENT TAX	<u>1,284,874</u>	<u>1,423,112</u>
DEFERRED TAX		
Origination and reversal of timing differences	27,603	142,262
TOTAL DEFERRED TAX	<u>27,603</u>	<u>142,262</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>1,312,477</u>	<u>1,565,374</u>

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.58%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	6,630,191	6,158,732
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.58%)	1,326,038	1,267,517
EFFECTS OF:		
Fixed asset differences	114,595	-
Expenses not deductible for tax purposes	11,037	96,557
Higher rate taxes on overseas earnings	-	(456)
Other timing differences leading to an increase (decrease) in taxation	-	3,866
Other tax adjustments, reliefs and transfers	(15,181)	(7,995)
Non-taxable income	(222)	(653)
Adjustments in respect of prior periods	(10,997)	-
Adjustments in respect of prior periods (deferred tax)	(55,289)	-
Adjust closing deferred tax to average rate	(57,375)	-
Group relief	(129)	(54,060)
Marginal relief	-	(242)
Payment for group relief	-	260,840
TOTAL TAX CHARGE FOR THE YEAR	1,312,477	1,565,374

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The 2016 Budget announced that the UK corporation tax rate will reduce to 19% by 2017 and then to 17% by 2020. These changes are yet to be substantively enacted.

12. DIVIDENDS

	2016 £	2015 £
Dividends paid on equity capital	3,500,000	3,500,000
	3,500,000	3,500,000

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £3,392,804 (2015: £3,397,207).

14. INTANGIBLE ASSETS

Group

	Trademarks £
COST	
At 1 September 2015	354,646
At 31 August 2016	354,646
AMORTISATION	
At 1 September 2015	22,924
Charge for the year	34,388
At 31 August 2016	57,312
NET BOOK VALUE	
At 31 August 2016	297,334
At 31 August 2015	331,722

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 September 2015	14,032,903	24,285,093	864,318	720,467	39,902,781
Additions	1,695,738	7,488,034	297,762	32,172	9,513,706
Transfers intra group	-	(453,608)	-	-	(453,608)
Disposals	-	(3,194,075)	(103,640)	(56,615)	(3,354,330)
At 31 August 2016	15,728,641	28,125,444	1,058,440	696,024	45,608,549
DEPRECIATION					
At 1 September 2015	1,843,040	14,409,713	314,231	273,828	16,840,812
Charge for period on owned assets	578,310	2,543,570	178,049	88,395	3,388,324
Charge for period on financed assets	-	241,331	-	-	241,331
Transfers intra group	-	(52,986)	-	-	(52,986)
Disposals	-	(3,113,712)	(72,666)	(42,759)	(3,229,137)
At 31 August 2016	2,421,350	14,027,916	419,614	319,464	17,188,344
NET BOOK VALUE					
At 31 August 2016	13,307,291	14,097,528	638,826	376,560	28,420,205
At 31 August 2015	12,189,863	9,875,380	550,087	446,639	23,061,969

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

	2016 £	2015 £
Plant and machinery	952,065	1,193,397
	<u>952,065</u>	<u>1,193,397</u>

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 £502,062 on which depreciation has not been charged.

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. TANGIBLE FIXED ASSETS (continued)

Cost or valuation at 31 August 2016 is as follows:

	Land and buildings £
AT COST	
Cost	14,777,850
AT VALUATION:	
31 August 2004 market valuation uplift	594,901
17 October 2006 market valuation uplift	291,308
1 September 2008 valuation uplift on intragroup transfer	64,582
	<u>15,728,641</u>

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

	2016 £	2015 £
GROUP		
Cost	14,777,850	13,082,112
Accumulated depreciation	(2,891,386)	(2,433,219)
NET BOOK VALUE	<u>11,886,464</u>	<u>10,648,893</u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. TANGIBLE FIXED ASSETS (continued)

Company

	Freehold property £	Motor vehicles £	Total £
COST OR VALUATION			
At 1 September 2015	14,032,903	31,000	14,063,903
Additions	1,695,738	-	1,695,738
At 31 August 2016	15,728,641	31,000	15,759,641
DEPRECIATION			
At 1 September 2015	1,843,040	1,254	1,844,294
Charge for period on owned assets	578,310	1,253	579,563
At 31 August 2016	2,421,350	2,507	2,423,857
At 31 August 2016	13,307,291	28,493	13,335,784
At 31 August 2015	12,189,863	29,746	12,219,609

Cost or valuation at 31 August 2016 is as follows:

	Land and buildings £
AT COST:	
Cost	15,664,059
AT VALUATION:	
1 September 2008 valuation uplift on intra group transfer	64,582
	15,728,641

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

15. 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:

	2016 £	2015 £
GROUP		
Cost	15,664,059	13,968,321
Accumulated depreciation	(2,366,032)	(1,873,413)
NET BOOK VALUE	13,298,027	12,094,908

16. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
At 1 September 2015	1,500,000
At 31 August 2016	1,500,000
NET BOOK VALUE	
At 31 August 2016	1,500,000
At 31 August 2015	1,500,000

17. SUBSIDIARY UNDERTAKING

The following is a subsidiary undertaking of the company and has been included within the consolidation:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Thatchers Cider Company Limited	United Kingdom	Ordinary	100 %	Sale of cider and processing of fruit

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

18. STOCKS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cider, concentrates, juices and ingredients	2,986,924	3,126,763	-	-
Containers and packaging	387,624	330,937	-	-
Equipment	122,261	63,333	-	-
	3,496,809	3,521,033	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £17,510,666 (2015: £16,014,327).

An impairment loss of £371,077 (2015: £315,526) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

19. DEBTORS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	16,154,049	14,518,456	-	-
Amounts owed by group undertakings	1,912,885	1,371,249	7,053,596	5,090,113
Other debtors	39,916	2,149	-	-
Prepayments and accrued income	569,771	430,507	499	3,722
	18,676,621	16,322,361	7,054,095	5,093,835

Included within trade debtors is a provision for doubtful debts of £54,227 (2015: £26,652) and a provision for credit notes of £553,530 (2015: £350,645).

20. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,880,187	1,780,357	65	613
Less: bank overdrafts	(119,960)	(13,840)	-	-
	1,760,227	1,766,517	65	613

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	119,960	13,840	-	-
Bank loans	235,618	232,982	235,618	232,982
Other loans	180,000	100,000	180,000	100,000
Trade creditors	6,525,420	9,018,251	-	4,340
Amounts owed to group undertakings	9,931,155	6,693,525	9,931,155	6,693,525
Corporation tax	578,478	448,126	174,649	4,403
Taxation and social security	2,898,332	1,480,004	7,190	7,168
Obligations under finance lease and hire purchase contracts	326,180	322,833	-	-
Other creditors	2,652,166	2,216,069	2,750	2,750
Accruals and deferred income	6,681,394	3,033,345	105,979	97,842
	30,128,703	23,558,975	10,637,341	7,143,010

The bank loans are secured on the freehold property or assets to which they relate. Repayment terms remaining of loans vary between 3 and 11 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.

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	1,897,629	2,132,781	1,897,629	2,132,781
Other loans	400,000	500,000	400,000	500,000
Net obligations under finance leases and hire purchase contracts	346,984	673,164	-	-
	2,644,613	3,305,945	2,297,629	2,632,781

The bank loan is secured on the freehold property to which it relates and is repayable over 20 years, of which 11 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.

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. LOANS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	235,618	232,982	235,618	232,982
Other loans	180,000	100,000	180,000	100,000
	415,618	332,982	415,618	332,982
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	851,213	895,073	851,213	895,073
Other loans	400,000	400,000	400,000	400,000
	1,251,213	1,295,073	1,251,213	1,295,073
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS				
Bank loans	1,046,417	1,237,708	1,046,417	1,237,708
Other loans	-	100,000	-	100,000
	1,046,417	1,337,708	1,046,417	1,337,708
	2,713,248	2,965,763	2,713,248	2,965,763

24. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	337,188	337,188
Between 1-2 years	249,916	337,188
Between 2-5 years	138,182	406,941
Interest	(52,124)	(85,321)
	673,162	995,996

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

25. FINANCIAL INSTRUMENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
FINANCIAL ASSETS				
Financial assets that are debt instruments measured at amortised cost	19,987,036	17,672,211	8,553,660	6,590,726
	<u>19,987,036</u>	<u>17,672,211</u>	<u>8,553,660</u>	<u>6,590,726</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(26,288,207)	(22,961,233)	(12,723,623)	(9,730,852)
	<u>(26,288,207)</u>	<u>(22,961,233)</u>	<u>(12,723,623)</u>	<u>(9,730,852)</u>

Financial assets measured at amortised cost comprise investments in subsidiary companies, trade debtors, amounts owed to group companies, other debtors and cash at bank and in hand.

Financial Liabilities measured at amortised cost comprise overdrafts, bank loans, other loans, trade creditors, amounts owed to group companies, obligations under finance leases and hire purchase contracts, other creditors and accruals.

26. DEFERRED TAXATION

Group

	2016 £
At beginning of year	(417,793)
Charged to the profit or loss	(27,603)
AT END OF YEAR	<u><u>(445,396)</u></u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

26. DEFERRED TAXATION (CONTINUED)

Company

	2016 £
At beginning of year	(118,731)
Charged to the profit or loss	(23,905)
AT END OF YEAR	<u>(142,636)</u>

The provision for deferred taxation is made up as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(451,580)	(423,977)	(143,036)	(119,131)
Other timing differences	6,184	6,184	400	400
	<u>(445,396)</u>	<u>(417,793)</u>	<u>(142,636)</u>	<u>(118,731)</u>

27. SHARE CAPITAL

	2016 £	2015 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
3,272,000 Ordinary shares of £1 each	<u>3,272,000</u>	<u>3,272,000</u>

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

28. RESERVES

Revaluation reserve

Represents the surplus arising on the revaluation of fixed assets. The group has elected to make an annual transfer to profit and loss account for excess depreciation

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Merger Reserve

The merger reserve is a non-distributable reserve created by the exercise of s612 merger relief for the amount in excess of the nominal value of the 1,500,000 ordinary shares issued in connection with the acquisition of Thatchers Cider Company Limited.

Profit and loss account

Includes all current and prior period retained profits and losses. All are available for distribution.

29. 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 21 and 22 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 (2015: £Nil).

30. 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 £170,542 (2015: £151,709). Contributions totalling £31,481 (2015: £31,672) were payable to the fund at the reporting date.

31. CAPITAL COMMITMENTS

At 31 August 2016 the Group and Company had capital commitments as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Contracted for but not provided in these financial statements	2,752,919	2,626,997	-	926,796
	2,752,919	2,626,997	-	926,796

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

32. AMOUNTS DUE FROM OPERATING LEASES

The group has entered into a lease as a lessor of a freehold property held in tangible fixed assets. The minimum lease payments due to the group under non-cancellable lease agreements are as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year			75,069	75,069
Later than 1 year and not later than 5 years			300,276	300,276
Later than 5 years			118,859	118,859
			<u>494,204</u>	<u>494,204</u>

33. RELATED PARTY TRANSACTIONS

During the year Mr M Thatcher, a director, charged the group rent of £55,255 (2015: £56,087). At the year end the group owed Mr M Thatcher £13,564 (2015: £14,064).

In addition, at the year end the group owed Mr M Thatcher, a director, £169,943 (2015: £240,148). During the year interest of £6,526 (2015: £9,441) was charged on this loan.

At the year end the group owed Mrs A Thatcher, a director, £Nil (2015: £Nil). During the year interest of £Nil (2015: £1,952) was charged on this loan.

During the year the group made sales of £126,366 (2015: £127,798) to, and purchases of £600 (2015: £Nil) from, Hogs Back Brewery Limited, a company in which Mr R Thompsen, a subsidiary director, is the majority shareholder. At the year end Hogs Back Brewery Limited owed the group £30,089 (2015: £38,406).

During the year Lord D M Jones, a director of the subsidiary company, charged consultancy fees of £6,750 (2015: 6,750) to the group. During the year the group made sales of £687 (2015: £Nil) to Lord D M Jones. At the year end the group was owed £78 (2015: £Nil) by Lord D M Jones.

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 102 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.

34. 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.

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FOR THE YEAR ENDED 31 AUGUST 2016**

35. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.