

THATCHERS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



THATCHERS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr J Thatcher
Mrs A Thatcher
Mr M Thatcher
Mr R Davis

COMPANY SECRETARY

Mrs A 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 2019

The directors present their strategic report and the financial statements for the year ended 31 August 2019.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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 £18m (2018: £4m) 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

The consequences of Brexit still remain relatively unknown however the directors believe that the procurement of predominantly British suppliers will help to mitigate any risks associated with the final agreement.

The environment and sustainability are at the forefront of the company's agenda. The directors continue to review and develop programmes to reduce energy consumption and the need for plastics and packing materials throughout the production process and supply chain.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover for the year has increased by 6% (£5.6m) and this turnover still equates to £469,000 per headcount whilst growing and developing its employee base.

Operating profit percentage remains strong at 12% of turnover as a result of additional volume of cider sold in the year.

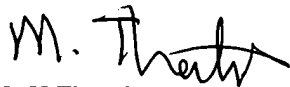
RESEARCH AND DEVELOPMENT ACTIVITIES

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

8/2/2020

and signed on its behalf.



Mr M Thatcher
Director

THATCHERS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their report and the financial statements for the year ended 31 August 2019.

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 £9,778,722 (2018: £9,403,888).

During the year dividends of £5,000,000 (2018: £5,000,000) were recommended and paid.

DIRECTORS

The directors who served during the year were:

Mr J Thatcher
Mrs A Thatcher
Mr M Thatcher
Mr R Davis

DONATIONS

During the year, the Group has made charitable donations of £Nil (2018: £500,000) to the Thatchers Foundation, which aims to support 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 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 2019**

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

8/2/2020

Date:

Myrtle Farm
Station Road
Sandford
Winscombe
Somerset
BS25 5RA

THATCHERS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

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

OPINION

We have audited the financial statements of Thatchers Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2019, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2019 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

THATCHERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS HOLDINGS LIMITED (CONTINUED)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THATCHERS HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS HOLDINGS LIMITED
(CONTINUED)**

USE OF OUR REPORT

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.



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:

19/5/2020

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Turnover	4	105,039,425	99,401,221
Cost of sales		(58,659,089)	(56,335,936)
GROSS PROFIT		46,380,336	43,065,285
Distribution costs		(10,196,173)	(8,362,431)
Administrative expenses		(24,046,032)	(22,821,414)
Other operating income	5	1,112	1,112
OPERATING PROFIT	6	12,139,243	11,882,552
Interest receivable and similar income	10	23,309	5,993
Interest payable and expenses	11	(122,443)	(86,405)
PROFIT BEFORE TAXATION		12,040,109	11,802,140
Tax on profit	12	(2,261,387)	(2,398,252)
PROFIT FOR THE FINANCIAL YEAR		9,778,722	9,403,888

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 17 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 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible fixed assets	15	194,230	228,510
Tangible fixed assets	16	46,551,320	33,507,119
		<u>46,745,550</u>	<u>33,735,629</u>
CURRENT ASSETS			
Stocks	18	6,626,588	4,501,465
Debtors: amounts falling due within one year	19	29,640,634	29,264,198
Cash at bank and in hand	20	3,191,203	11,805,957
		<u>39,458,425</u>	<u>45,571,620</u>
Creditors: amounts falling due within one year	21	(51,052,837)	(48,111,408)
NET CURRENT LIABILITIES		<u>(11,594,412)</u>	<u>(2,539,788)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,151,138</u>	<u>31,195,841</u>
Creditors: amounts falling due after more than one year	22	(1,692,883)	(2,741,389)
PROVISIONS FOR LIABILITIES			
Deferred taxation	26	(649,400)	(424,319)
		<u>(649,400)</u>	<u>(424,319)</u>
NET ASSETS		<u>32,808,855</u>	<u>28,030,133</u>
CAPITAL AND RESERVES			
Called up share capital	27	3,272,000	3,272,000
Revaluation reserve	28	35,522	38,751
Capital redemption reserve	28	777,100	777,100
Merger reserve	28	1,336,426	1,336,426
Profit and loss account	28	27,387,807	22,605,856
		<u>32,808,855</u>	<u>28,030,133</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 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
REGISTERED NUMBER:06666091

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	16	21,244,860	15,158,209
Investments in subsidiary companies	17	1,500,000	1,500,000
		<u>22,744,860</u>	<u>16,658,209</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	19	8,885,347	9,962,714
Cash at bank and in hand	20	2,207	1,322
		<u>8,887,554</u>	<u>9,964,036</u>
Creditors: amounts falling due within one year	21	(22,254,516)	(17,362,404)
NET CURRENT LIABILITIES		<u>(13,366,962)</u>	<u>(7,398,368)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,377,898</u>	<u>9,259,841</u>
Creditors: amounts falling due after more than one year	22	(8,896)	(110,008)
PROVISIONS FOR LIABILITIES			
Deferred taxation	26	(223,123)	(203,864)
		<u>(223,123)</u>	<u>(203,864)</u>
NET ASSETS		<u>9,145,879</u>	<u>8,945,969</u>
CAPITAL AND RESERVES			
Called up share capital	27	3,272,000	3,272,000
Revaluation reserve	28	35,522	38,751
Capital redemption reserve	28	777,100	777,100
Profit and loss account	28	5,061,257	4,858,118
		<u>9,145,879</u>	<u>8,945,969</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:

5/2/2020

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 September 2018	3,272,000	777,100	38,751	1,336,426	22,605,856	28,030,133	28,030,133
Profit for the year	-	-	-	-	9,778,722	9,778,722	9,778,722
Dividends: Equity capital	-	-	-	-	(5,000,000)	(5,000,000)	(5,000,000)
Transfer to/from profit and loss account	-	-	(3,229)	-	3,229	-	-
AT 31 AUGUST 2019	3,272,000	777,100	35,522	1,336,426	27,387,807	32,808,855	32,808,855

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 September 2017	3,272,000	777,100	41,980	1,336,426	18,198,739	23,626,245	23,626,245
Profit for the year	-	-	-	-	9,403,888	9,403,888	9,403,888
Dividends: Equity capital	-	-	-	-	(5,000,000)	(5,000,000)	(5,000,000)
Transfer to/from profit and loss account	-	-	(3,229)	-	3,229	-	-
AT 31 AUGUST 2018	3,272,000	777,100	38,751	1,336,426	22,605,856	28,030,133	28,030,133

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2018	3,272,000	777,100	38,751	4,858,118	8,945,969
Profit for the year	-	-	-	5,199,910	5,199,910
Dividends: Equity capital	-	-	-	(5,000,000)	(5,000,000)
Transfer to profit and loss account	-	-	(3,229)	3,229	-
AT 31 AUGUST 2019	3,272,000	777,100	35,522	5,061,257	9,145,879

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2017	3,272,000	777,100	41,980	4,742,981	8,834,061
Profit for the year	-	-	-	5,111,908	5,111,908
Dividends: Equity capital	-	-	-	(5,000,000)	(5,000,000)
Transfer to profit and loss account	-	-	(3,229)	3,229	-
AT 31 AUGUST 2018	3,272,000	777,100	38,751	4,858,118	8,945,969

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	9,778,722	9,403,888
ADJUSTMENTS FOR:		
Amortisation of intangible assets	34,280	34,381
Depreciation of tangible assets	5,212,997	5,230,512
(Profit)/loss on disposal of tangible assets	(5,439)	23,402
Interest paid	122,443	86,405
Interest received	(23,309)	(5,993)
Taxation charge	2,261,387	2,398,252
(Increase) in stocks	(2,125,123)	(845,108)
Decrease/(increase) in debtors	153,677	(6,379,586)
(Increase) in amounts owed by groups	(530,113)	(431,093)
(Decrease)/increase in creditors	(1,396,348)	5,747,809
Increase/(decrease) in amounts owed to groups	4,997,807	(77,140)
Corporation tax (paid)	(2,655,147)	(1,963,602)
NET CASH GENERATED FROM OPERATING ACTIVITIES	15,825,834	13,222,127
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(18,261,248)	(4,260,930)
Sale of tangible fixed assets	9,489	54,337
Interest received	23,309	5,993
HP interest paid	(30,171)	(39,165)
NET CASH FROM INVESTING ACTIVITIES	(18,258,621)	(4,239,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	-	(1,655,333)
Repayment of/new finance leases	(859,977)	(1,015,673)
Dividends paid	(5,000,000)	-
Interest paid	(92,272)	(47,240)
NET CASH USED IN FINANCING ACTIVITIES	(5,952,249)	(2,718,246)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(8,385,036)	6,264,116

THATCHERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
Cash and cash equivalents at beginning of year	11,058,856	4,794,740
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	2,673,820	11,058,856
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	3,191,203	11,805,957
Bank overdrafts	(517,383)	(747,101)
	2,673,820	11,058,856

The notes on pages 17 to 40 form part of these financial statements.

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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, Winscome, BS25 5RA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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.

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 following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company 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 2019

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 2019

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	- 25% straight line
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.

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 2019**

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 Group'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 debtors and creditors, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 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 other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.16 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.

2.17 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 ten years.

The estimated useful lives range as follows:

Trademarks	-	10	years
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2.18 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 over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.19 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.20 LEASED ASSETS: THE GROUP AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the 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 2019**

2. ACCOUNTING POLICIES (continued)

2.21 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 charge 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. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Lease commitments

The Company has entered into commercial leases as a lessee for the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

There are no critical accounting estimates adopted by management applicable to the Company.

THATCHERS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****4. TURNOVER**

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

	2019 £	2018 £
Cider sales	103,309,919	97,390,657
Fruit processing	1,596,786	1,820,944
Property rental and other sundry income	132,720	189,620
	<u>105,039,425</u>	<u>99,401,221</u>

5. OTHER OPERATING INCOME

	2019 £	2018 £
Other operating income	1,112	1,112
	<u>1,112</u>	<u>1,112</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	5,212,997	5,230,512
(Profit)/Loss on disposal of tangible fixed assets	(5,439)	23,402
Amortisation of intangible assets, including goodwill	34,280	34,381
Exchange differences	(72,952)	(189,520)
Defined contribution pension cost	242,514	185,616
	<u>5,341,400</u>	<u>5,284,391</u>

7. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	26,216	25,000
Fees payable to the group's auditor in respect of tax compliance and related services	3,100	3,600
	<u>29,316</u>	<u>28,600</u>

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

8. EMPLOYEES

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	8,018,126	6,952,557	263,564	234,115
Social security costs	898,194	785,405	34,814	29,968
Cost of defined contribution scheme	242,515	182,616	12,000	(3,000)
	9,158,835	7,920,578	310,378	261,083

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

	2019 No.	2018 No.
Production	81	73
Distribution	111	97
Office and administration	32	27
	224	197

9. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	263,564	234,115
Company contributions to defined contribution pension schemes	12,000	(3,000)
	275,564	231,115

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £214,621 (2018: £190,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2018: £3,000).

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. INTEREST RECEIVABLE

	2019 £	2018 £
Other interest receivable	23,309	5,993
	<u>23,309</u>	<u>5,993</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	11,282	12,354
Other loan interest payable	80,990	34,886
Finance leases and hire purchase contracts	30,171	39,165
	<u>122,443</u>	<u>86,405</u>

12. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	2,245,263	2,527,893
Adjustments in respect of previous periods	(208,957)	-
	<u>2,036,306</u>	<u>2,527,893</u>
TOTAL CURRENT TAX	<u>2,036,306</u>	<u>2,527,893</u>
DEFERRED TAX		
Origination and reversal of timing differences	143,746	(129,641)
Adjustments in respect of prior periods	81,335	-
TOTAL DEFERRED TAX	<u>225,081</u>	<u>(129,641)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>2,261,387</u>	<u>2,398,252</u>

THATCHERS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>12,040,109</u>	<u>11,802,140</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	2,287,621	2,242,407
EFFECTS OF:		
Fixed asset differences	118,840	124,034
Expenses not deductible for tax purposes	26,632	16,776
Chargeable gains/(losses)	1,144	-
Other tax adjustments, reliefs and transfers	(28,106)	(217)
Adjustments in respect of prior periods	(208,957)	-
Adjustments in respect of prior periods (deferred tax)	81,335	-
Adjust closing deferred tax to average rate	(17,122)	15,252
TOTAL TAX CHARGE FOR THE YEAR	<u><u>2,261,387</u></u>	<u><u>2,398,252</u></u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted in the Finance Act 2016.

Deferred tax at 31 August 2018 has been assessed based on these rates.

13. DIVIDENDS

	2019 £	2018 £
Dividends paid on equity capital	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

14. 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 £5,199,910 (2018: £5,111,908).

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. INTANGIBLE ASSETS

Group and Company

	Trademarks £
COST	
At 1 September 2018	354,646
At 31 August 2019	<u>354,646</u>
AMORTISATION	
At 1 September 2018	126,136
Charge for the year	34,280
At 31 August 2019	<u>160,416</u>
NET BOOK VALUE	
At 31 August 2019	<u>194,230</u>
At 31 August 2018	<u>228,510</u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 September 2018	18,949,087	37,391,607	1,877,807	802,257	59,020,758
Additions	6,869,491	10,922,565	420,090	-	18,212,146
Disposals	(49,102)	(1,152,633)	(127,145)	-	(1,328,880)
At 31 August 2019	25,769,476	47,161,539	2,170,752	802,257	75,904,024
DEPRECIATION					
At 1 September 2018	3,790,878	20,339,113	701,203	682,445	25,513,639
Charge for the year on owned assets	733,738	4,104,912	326,870	47,477	5,212,997
Disposals	-	(1,293,034)	(80,898)	-	(1,373,932)
At 31 August 2019	4,524,616	23,150,991	947,175	729,922	29,352,704
NET BOOK VALUE					
At 31 August 2019	21,244,860	24,010,548	1,223,577	72,335	46,551,320
At 31 August 2018	15,158,209	17,052,494	1,176,604	119,812	33,507,119

Freehold land and buildings includes £10,097,483 (2018: £3,490,389) of land and buildings that are not depreciated. Freehold land and buildings also includes assets under the course of construction amounting to £7,258,749 (2018: £620,694) on which depreciation has not been charged.

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

	2019 £	2018 £
Plant and machinery	3,804,969	4,772,784
	<u>3,804,969</u>	<u>4,772,784</u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. TANGIBLE FIXED ASSETS (CONTINUED)

Cost or valuation at 31 August 2019 is as follows:

	Land and buildings £
AT COST	24,414,381
AT VALUATION:	
Land and buildings held at valuation	1,355,095
	<u>25,769,476</u>

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

	2019 £	2018 £
GROUP		
Cost	25,769,476	18,884,505
Accumulated depreciation	(4,572,156)	(3,986,187)
NET BOOK VALUE	<u>21,197,320</u>	<u>14,898,318</u>

The land and buildings were revalued on 17 October 2006 by King Sturge property consultants on an open market existing use basis.

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £
COST OR VALUATION	
At 1 September 2018	18,949,087
Additions	6,869,491
Disposals	(49,102)
At 31 August 2019	<u>25,769,476</u>
DEPRECIATION	
At 1 September 2018	3,790,878
Charge for the year on owned assets	733,738
At 31 August 2019	<u>4,524,616</u>
NET BOOK VALUE	
At 31 August 2019	<u><u>21,244,860</u></u>
At 31 August 2018	<u><u>15,158,209</u></u>

Freehold land and buildings includes £10,097,483 (2018: £3,490,389) of land and buildings that are not depreciated. Freehold land and buildings also includes assets under the course of construction amounting to £7,258,749 (2018: £620,694) on which depreciation has not been charged.

Cost or valuation at 31 August 2019 is as follows:

	Land and buildings £
AT COST	24,414,381
AT VALUATION:	
Land and buildings held at valuation	1,355,095
	<u><u>25,769,476</u></u>

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. 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:

	2019 £	2018 £
GROUP		
Cost	25,769,476	18,884,505
Accumulated depreciation	(4,572,156)	(3,986,187)
NET BOOK VALUE	<u>21,197,320</u>	<u>14,898,318</u>

The land and buildings were revalued on 17 October 2006 by King Sturge property consultants on an open market existing use basis.

17. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
At 1 September 2018	1,500,000
NET BOOK VALUE	
At 31 August 2019	<u>1,500,000</u>
At 31 August 2018	<u>1,500,000</u>

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the Company:

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

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKING (CONTINUED)

The aggregate of the share capital and reserves as at 31 August 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Thatchers Cider Company Limited	25,162,976	11,650,526

18. STOCKS

	Group 2019 £	Group 2018 £
Cider, concentrates, juices and ingredients	5,797,170	3,799,460
Containers and packaging	572,399	443,194
Equipment	257,019	258,811
	<u>6,626,588</u>	<u>4,501,465</u>

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 £23,291,418 (2018: £20,025,148).

An impairment loss of £Nil (2018: £1,426) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

19. DEBTORS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	24,502,321	24,207,325	-	-
Amounts owed by group undertakings	3,344,435	2,814,322	8,885,347	9,956,596
Other debtors	67,763	56,930	-	-
Prepayments and accrued income	1,726,115	2,185,621	-	6,118
	<u>29,640,634</u>	<u>29,264,198</u>	<u>8,885,347</u>	<u>9,962,714</u>

Included within trade debtors is a provision for doubtful debts of £199,328 (2018: £82,819) and a provision for credit notes of £130,899 (2018: £511,207).

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. CASH AND CASH EQUIVALENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	3,191,203	11,805,957	2,207	1,322
Less: bank overdrafts	(517,383)	(747,101)	-	-
	<u>2,673,820</u>	<u>11,058,856</u>	<u>2,207</u>	<u>1,322</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	517,383	747,101	-	-
Other loans	300,000	200,000	300,000	200,000
Trade creditors	12,346,653	11,061,767	-	-
Amounts owed to group undertakings	21,822,902	16,825,095	21,789,095	16,825,095
Corporation tax	727,238	1,346,079	50,414	217,060
Other taxation and social security	2,490,983	3,592,229	5,954	6,336
Obligations under finance lease and hire purchase contracts	905,556	887,028	-	-
Other creditors	3,075,556	3,494,268	1,000	3,000
Accruals and deferred income	8,866,566	9,957,841	108,053	110,913
	<u>51,052,837</u>	<u>48,111,408</u>	<u>22,254,516</u>	<u>17,362,404</u>

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 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	-	100,000	-	100,000
Net obligations under finance leases and hire purchase contracts	1,683,987	2,562,492	-	-
Other creditors	8,896	78,897	8,896	10,008
	<u>1,692,883</u>	<u>2,741,389</u>	<u>8,896</u>	<u>110,008</u>

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 2019**

23. LOANS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Other loans	300,000	200,000	300,000	200,000
	300,000	200,000	300,000	200,000
AMOUNTS FALLING DUE 2-5 YEARS				
Other loans	-	100,000	-	100,000
	-	100,000	-	100,000
	300,000	300,000	300,000	300,000

24. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	905,555	917,634
Between 1-2 years	905,555	917,634
Between 2-5 years	778,431	1,682,328
Interest	(41,886)	(76,098)
	2,547,655	3,441,498

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. FINANCIAL INSTRUMENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
FINANCIAL ASSETS				
Financial assets that are measured at amortised cost	31,105,722	38,884,534	8,887,554	9,957,918
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(49,495,575)	(45,814,969)	(21,801,036)	(17,218,384)

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.

THATCHERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. DEFERRED TAXATION

Group

	2019 £
At beginning of year	(424,319)
Charged to profit or loss	(225,081)
AT END OF YEAR	(649,400)

Company

	2019 £
At beginning of year	(203,864)
Charged to profit or loss	(19,259)
AT END OF YEAR	(223,123)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(866,258)	(645,339)	(223,293)	(204,374)
Other timing differences	216,858	221,020	170	510
	(649,400)	(424,319)	(223,123)	(203,864)

27. SHARE CAPITAL

	2019 £	2018 £
ALLOTTED, CALLED UP AND FULLY PAID		
3,272,000 (2018: 3,272,000) Ordinary shares of £1.00 each	3,272,000	3,272,000

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 share 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. CAPITAL COMMITMENTS

At 31 August 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Contracted for but not provided in these financial statements	7,532,000	2,301,000	2,625,000	1,290,000
	7,532,000	2,301,000	2,625,000	1,290,000

30. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	176,040	516,667
Later than 1 year and not later than 5 years	88,250	333,333
	264,290	850,000

THATCHERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

31. RELATED PARTY TRANSACTIONS

During the year the group was charged rent of £55,755 (2018: £55,255) by its directors. At the year end, these directors were owed £Nil (2018: £Nil).

At the year end, loans to the group from directors of £Nil (2018: £Nil) were outstanding. Interest of £54,759 (2018: £28,886) was charged on these loans during the year.

During the year, the group paid consultancy fees of £58,942 (2018: £37,600) to its directors.

During the year the group made sales of £622 (2018: £3,615) to its directors. At the year end these directors owed the group £Nil (2018: £34).

During the year the group made sales of £198,791 (2018: £244,862) to, and purchases of £18,000 (2018: £10,552) from other related parties. At the year end these related parties owed the group £28,238 (2018: £84,799).

The company is a wholly owned subsidiary of Thatchers (Myrtle Farm) 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 this company is included, are filed at the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

32. 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 are filed at the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.