

Company Registration No. 7104090

NOBLE DESSERTS HOLDINGS LIMITED

Consolidated Annual Report and Financial Statements

30 September 2016

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NOBLE DESSERTS HOLDINGS LIMITED

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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NOBLE DESSERTS HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Burnett

REGISTERED OFFICE

Cotswold Farm
Standlake
Witney
Oxfordshire
OX29 7RB

BANKERS

Lloyds Bank plc
PO Box 112
Canons House
Canons Way
Bristol
BS99 7LB

Coöperatieve Rabobank U.A
Trading as Rabobank London
Thames Court
One Queenhithe
London
EC4V 3RL

SOLICITORS

Lyons Davidson
Victoria House
51 Victoria Street
Bristol
BS1 6AD

AUDITOR

Deloitte LLP
Statutory Auditor
Nottingham
UK

NOBLE DESSERTS HOLDINGS LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 September 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Group in the year under review was that of the manufacture and marketing of chilled desserts.

PRESENTATION OF RESULTS

The Group has changed accounting policies to reflect the requirements of FRS102 during the year. The results for 2015 have been restated on this basis. A summary of the impact of the changes is presented in the notes to the financial statements.

REVIEW OF THE BUSINESS

The Group made a profit for the year of £2,870k (2015: £1,431k) on turnover of £41,603k (2015: £35,794k). EBITDA for the year was £6,956k (2015: £4,673k). At the balance sheet date, the Group had net assets of £18,687k (2015: £15,845k). EBITDA has grown and the board feel the group is well placed to deliver healthy EBITDA growth going forward.

KEY PERFORMANCE INDICATORS (KPI's)

The directors consider earnings before interest, taxation and depreciation (EBITDA) and net debt to be the core KPI's of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- General competitive pressure in the market place.
- Control over food safety.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent in the forthcoming year. The directors focus will be to improve margin and grow profit whilst ensuring the cost base continues to remain appropriate for the business.

On behalf of the Board



D Burnett
Director

Date 1 June 2017

NOBLE DESSERTS HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 30 September 2016.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the group and future developments is included in the strategic report on page 2.

DIVIDENDS

No dividends (2015: nil) were paid during the year.

DIRECTORS

The directors who served during the period and subsequently were:

D Burnett (appointed 6 July 2016)

J Roberts (resigned 31 March 2017)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow risk

The Group's activities expose it to the risk of changes in the Euro exchange rate and has consequently entered into forward contracts in order to manage exposure to exchange rate fluctuations.

Credit risk

The Group's principal financial assets are bank balances and trade debtors.

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group continuously monitors its exposure to credit risk and has minimal levels of doubtful debts.

The credit risk associated with cash at bank is limited because the counterparties are banks with high credit ratings.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has external finance as part of a group arrangement and consequently the Group has intercompany borrowings.

NOBLE DESSERTS HOLDINGS LIMITED

DIRECTORS' REPORT

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Group places value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and the Group magazine.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



D Burnett
Director

Date: 1 June 2017.

NOBLE DESSERTS HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE DESSERTS HOLDINGS LIMITED

We have audited the financial statements of Noble Desserts Holdings Limited for the year ended 30 September 2016 which comprises the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 of the parent company's affairs as at 30 September 2016 and of the group's profits for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

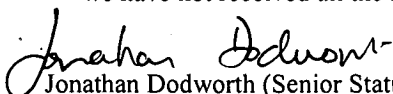
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Nottingham, UK

1 June 2017

NOBLE DESSERTS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 30 September 2016

	Note	2016 £'000	2015 £'000
TURNOVER	3	41,603	35,794
Cost of sales		(26,920)	(22,617)
GROSS PROFIT		14,683	13,177
Sales and distribution expenses		(5,115)	(4,424)
Administrative expenses		(4,719)	(6,234)
OPERATING PROFIT	4	4,849	2,519
Interest payable and similar charges	6	(722)	(481)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,127	2,038
Taxation on profit on ordinary activities	7	(1,257)	(607)
PROFIT FOR THE FINANCIAL YEAR		2,870	1,431

All activity is derived from continued operations.

NOBLE DESSERTS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **Year ended 30 September 2016**

	2016 £'000	2015 £'000
Profit for the financial year	2,870	1,431
Foreign exchange movements	(28)	(21)
Total comprehensive income relating to the year	<u>2,842</u>	<u>1,410</u>

NOBLE DESSERTS HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 30 September 2016

Group	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 October 2014 as previously stated	20,000	(5,565)	14,435
Changes on transition to FRS102 (see note 24)	-	-	-
At 1 October 2014 as restated	20,000	(5,565)	14,435
Profit for the financial year	-	1,431	1,431
Foreign exchange movements	-	(21)	(21)
Total comprehensive income	-	1,410	1,410
At 30 September 2015	20,000	(4,155)	15,845
Profit for the financial year	-	2,870	2,870
Foreign exchange movements	-	(28)	(28)
Total comprehensive income	-	2,842	2,842
At 30 September 2016	20,000	(1,313)	18,687

Company	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 October 2014 as previously stated	20,000	(5,883)	14,117
Changes on transition to FRS102 (see note 24)	-	-	-
At 1 October 2014 as restated	20,000	(5,883)	14,117
Profit for the financial year	-	1,445	1,445
Total comprehensive income	-	1,445	1,445
At 30 September 2015	20,000	(4,438)	15,562
Profit for the financial year	-	2,865	2,865
Total comprehensive income	-	2,865	2,865
At 30 September 2016	20,000	(1,573)	18,427

NOBLE DESSERTS HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET 30 September 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Goodwill	9	19,687	21,164
Tangible fixed assets	10	10,131	3,226
		<u>29,818</u>	<u>24,390</u>
CURRENT ASSETS			
Stock	12	4,671	4,065
Debtors	13	7,101	6,697
Cash at bank and in hand		1,274	810
		<u>13,046</u>	<u>11,572</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(24,177)</u>	<u>(20,087)</u>
NET CURRENT LIABILITIES		<u>(11,131)</u>	<u>(8,515)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,687	15,875
PROVISIONS FOR LIABILITIES	15	-	(30)
NET ASSETS		<u>18,687</u>	<u>15,845</u>
CAPITAL AND RESERVES			
Called up share capital	16	20,000	20,000
Profit and loss account		(1,313)	(4,155)
SHAREHOLDERS' FUNDS		<u>18,687</u>	<u>15,845</u>

These financial statements of Noble Desserts Holdings Limited, registered number 7104090, were approved by the Board of Directors and authorised for issue on **1 June 2017.**

Signed on behalf of the Board of Directors



D Burnett
Director

NOBLE DESSERTS HOLDINGS LIMITED

COMPANY BALANCE SHEET 30 September 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Goodwill	9	19,687	21,164
Tangible fixed assets	10	10,127	3,203
		<u>29,814</u>	<u>24,367</u>
CURRENT ASSETS			
Stock	12	4,671	4,065
Debtors	13	7,193	6,642
Cash at bank and in hand		1,200	746
		<u>13,064</u>	<u>11,453</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(24,451)</u>	<u>(20,228)</u>
NET CURRENT LIABILITIES		<u>(11,387)</u>	<u>(8,775)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,427	15,592
PROVISIONS FOR LIABILITIES	15	-	(30)
NET ASSETS		<u>18,427</u>	<u>15,562</u>
CAPITAL AND RESERVES			
Called up share capital	16	20,000	20,000
Profit and loss account		<u>(1,573)</u>	<u>(4,438)</u>
SHAREHOLDERS' FUNDS		<u>18,427</u>	<u>15,562</u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after tax for the year amounted to £2,865,000 (2015: £1,445,000).

These financial statements of Noble Desserts Holdings Limited, registered number 7104090, were approved by the Board of Directors and authorised for issue on **1 June 2017**

Signed on behalf of the Board of Directors



D Burnett
Director

NOBLE DESSERTS HOLDINGS LIMITED

CONSOLIDATED CASHFLOW STATEMENT Year ended 30 September 2016

	Note	2016 £'000	2015 £'000
Net cash inflow from operating activities	23	4,863	4,003
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(7,535)	(233)
Net cash flows from investing activities		(7,535)	(233)
Cash flows from financing activities			
Interest paid		(8)	(17)
Intercompany loans		3,144	(2,831)
Repayment of borrowings		-	(818)
Net cash flows from financing activities		3,136	(3,666)
Net increase in cash and cash equivalents		464	104
Cash and cash equivalents at beginning of year		810	706
Cash and cash equivalents at end of year		1,274	810

NOBLE DESSERTS HOLDINGS LIMITED

COMPANY CASHFLOW STATEMENT Year ended 30 September 2016

	Note	2016 £'000	2015 £'000
Net cash inflow from operating activities	23	5,211	3,960
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(7,532)	(233)
Net cash flows from investing activities		<u>(7,532)</u>	<u>(233)</u>
Cash flows from financing activities			
Interest paid		(8)	(17)
Intercompany loans		2,783	(2,146)
Repayment of borrowings		-	(818)
Net cash flows from financing activities		<u>2,775</u>	<u>(2,981)</u>
Net increase in cash and cash equivalents		<u>454</u>	<u>746</u>
Cash and cash equivalents at beginning of year		<u>746</u>	<u>-</u>
Cash and cash equivalents at end of year		<u><u>1,200</u></u>	<u><u>746</u></u>

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2016

1. ACCOUNTING POLICIES

Noble Desserts Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS102 in the current year. See note 24 for further details.

Going concern

The financial statements have been prepared on a going concern basis after due consideration of the principal risks and uncertainties as disclosed in the report of the directors, and in accordance with applicable United Kingdom accounting standards. In reaching this conclusion the Board have considered the financial position of the Company and of the Group and its funding facilities, the board have also considered the financial position of the wider Noble group as the company's external finance is part of a group arrangement and the company has intercompany borrowings. The Board has undertaken a review of the Company's and the Group's forecasts and associated risks and sensitivities and have concluded that there is a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly have adopted the going concern basis in preparing the financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS102, Section 19 of FRS102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Impairment reviews are performed annually by assessing expected future cash flows of the company and applying an appropriate discount rate to these expected cash flows. Provision is made for any impairment.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided evenly on the cost of the tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for depreciation are:

Plant and machinery	5% - 25% per annum
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 30 September 2016

1. ACCOUNTING POLICIES (Continued)

Leased assets

Assets obtained under finance leases and hire purchase contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible assets at their fair value on acquisition and depreciated over their estimated useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Stock

Stocks are stated at the lower of cost and estimated net realisable value. Cost of raw materials is determined on a FIFO basis. Finished goods are valued using standard costing, comprising materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Taxation

The tax expense represents the sum of the corporation tax currently payable and deferred tax.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

1. ACCOUNTING POLICIES (Continued)

Turnover

Turnover solely represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax, and is recognised on despatch of goods. The Directors consider the company has one class of business which serves different geographical segments. The results and net assets of the company all relate to the company's single origin of operations, consequently results and net assets are not distinguishable by geographical destination.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operation are reported in other comprehensive income and accumulated in equity.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount for the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year which they are payable.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the directors to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The nature of estimation means that actual outcomes may differ from these estimates.

The judgements that have the most significant effect on the amounts recognised as assets and liabilities are as follows:

Taxation

There are tax transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for taxation based on estimates of whether taxation will be due. Where the final outcome of these matters is different from the amount recognised, such differences will have an impact on the financial statements in the period such determination is made.

Carrying value of goodwill

The Company tests annually whether goodwill has suffered any impairment based on value in use calculations. These calculations involve the use of estimates.

3. SEGMENTAL INFORMATION

Geographic segments (turnover by destination):	2016 £'000	2015 £'000
United Kingdom	27,427	20,094
Rest of Europe	12,686	14,512
Rest of the World	1,490	1,188
	<u>41,603</u>	<u>35,794</u>

4. OPERATING PROFIT

Operating profit is stated after charging:	2016 £'000	2015 £'000
Depreciation		
- leased assets	-	2
- owned assets	610	675
Loss on disposal of tangible fixed assets	20	-
Rentals under operating leases		
- other operating leases	365	519
Amortisation of goodwill	1,477	1,477
Auditor's remuneration		
- For the audit of the company's financial statements	24	24
- Tax services	15	15
Foreign exchange differences	(281)	505
	<u></u>	<u></u>

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group

	2016 Number	2015 Number
Average number of persons employed:		
Production	117	155
Sales and distribution	5	5
Administration	69	77
	<u>191</u>	<u>237</u>
Employee costs during the year:	£'000	£'000
Wages and salaries	5,730	6,677
Social security costs	674	692
Pension costs	97	79
	<u>6,501</u>	<u>7,448</u>
	2016 £'000	2015 £'000
Directors' emoluments	<u>-</u>	<u>-</u>

The directors of the company are remunerated through Noble Foods Limited. The directors received no remuneration for their services to the group and it is not practicable to split the costs of services between those provided to Noble Desserts Holdings Limited and those provided to other companies within the wider group.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Interest on group loans	354	372
Interest payable on invoice discounting	8	17
Derivative financial instruments	360	92
	<u>722</u>	<u>481</u>

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

7. TAXATION

a. Tax on profit on ordinary activities

	2016 £'000	2015 £'000
Current tax:		
UK corporation tax charge	1,188	758
Adjustment in respect of previous years	83	(106)
	<u>1,271</u>	<u>652</u>
Foreign tax	16	16
	<u>1,287</u>	<u>668</u>
Total current tax		
Deferred tax:		
Origination and reversal of timing differences	(6)	(38)
Adjustments in respect of previous years	(22)	(23)
Effects of change in tax rates	(2)	-
	<u>(30)</u>	<u>(61)</u>
Total deferred tax		
Total tax charge for the current year	<u>1,257</u>	<u>607</u>

b. Factors affecting the tax charge for the year

The tax charged for the year differs from the standard rate of 20% (2015: 20.5%) corporation tax in the UK. The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	<u>4,127</u>	<u>2,038</u>
Tax on Profit on ordinary activities at standard rate in the UK 20% (2015: 20.5%)	826	418
Effects of:		
Expenses not deducted for tax purposes	372	318
Adjustment in respect of previous years	61	(129)
Effect of change in tax rate	(2)	-
	<u>1,257</u>	<u>607</u>
Total tax charge for the year		

c. Change in tax rates

The Finance Act 2013 was substantively enacted on 2 July 2013 and included provisions which reduced the main rate of UK Corporation Tax from 21% to 20% effective from 1 April 2015. Current tax has therefore been calculated at 20% (2015: 20.5%).

The Government enacted further reductions in the main tax rate on 18 November 2015, down to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. Subsequently, as part of the Finance Bill 2016, the Government stated its intention to further reduce the rate, replacing the reduction to 18% with 17% effective 1 April 2020. As these tax rates were substantively enacted at the balance sheet date, the relevant rate reductions have been reflected in the calculation of deferred tax.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

8. RESULT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after tax for the financial year amounted to £2,865,000 (2015: £1,445,000).

9. GOODWILL

	£'000
Group and Company	
Cost	
At 1 October 2015 and at 30 September 2016	28,551
Amortisation	
At 1 October 2015	7,387
Charge for the year	1,477
At 30 September 2016	8,864
Net book value	
At 30 September 2016	19,687
At 30 September 2015	21,164

10. TANGIBLE FIXED ASSETS

Group	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 October 2015	-	7,088	7,088
Additions	6,076	1,456	7,532
Disposals	-	(43)	(43)
At 30 September 2016	6,076	8,501	14,577
Accumulated depreciation			
At 1 October 2015	-	3,862	3,862
Charge for the year	2	608	610
Disposals	-	(26)	(26)
At 30 September 2016	2	4,444	4,446
Net book value			
At 30 September 2016	6,074	4,057	10,131
At 30 September 2015	-	3,226	3,226

No fixed assets were held under finance leases as at the year end (2015: £nil). Depreciation of £nil (2015: £2,000) was charged on assets held under finance leases during the year.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

10. TANGIBLE FIXED ASSETS (Continued)

Company	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 October 2015	-	7,019	7,019
Additions	6,076	1,456	7,532
At 30 September 2016	6,076	8,475	14,551
Accumulated depreciation			
At 1 October 2015	-	3,816	3,816
Charge for the year	2	606	608
Disposals	-	-	-
At 30 September 2016	2	4,422	4,424
Net book value			
At 30 September 2016	6,074	4,053	10,127
At 30 September 2015	3,203	3,203	3,203

11. FIXED ASSET INVESTMENTS

The group's principal subsidiaries are listed below:

Company	Principal activity	Country of incorporation
Rensow Limited	Dormant	England and Wales
Rensow Patisserie Limited	Dormant	England and Wales
Noble Desserts France SARL	Marketing of chilled desserts	France
Gü Limited	Dormant	England and Wales
Gü Desserts Inc	Marketing of chilled desserts	USA

The company owns 100% of the ordinary share capital of voting rights of all the companies above.

12. STOCK

	Group 2016 £'000	Company 2016 £'000	Group 2015 £'000	Company 2015 £'000
Finished goods	4,050	4,050	3,402	3,402
Raw materials and consumables	621	621	663	663
	4,671	4,671	4,065	4,065

The replacement cost of the above stocks would not be significantly different from the values stated.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

13. DEBTORS

	Group 2016 £'000	Company 2016 £'000	Group 2015 £'000	Company 2015 £'000
Amounts falling due within one year:				
Trade debtors	6,344	6,554	5,825	5,953
Amounts owed by group undertakings	-	172	-	128
VAT	481	417	561	412
Other debtors	8	-	33	-
Prepayments and accrued income	268	50	278	149
	<u>7,101</u>	<u>7,193</u>	<u>6,697</u>	<u>6,642</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £'000	Company 2016 £'000	Group 2015 £'000	Company 2015 £'000
Trade creditors	4,548	4,550	3,685	3,334
Amounts owed to companies with common ultimate parent	13,284	13,284	9,786	9,786
Amounts owed to group undertakings	-	499	-	860
Corporation tax	1,177	1,190	755	757
Other taxes and social security	106	-	176	-
Accruals and deferred income	4,610	4,476	5,593	5,399
Derivative financial instruments (see note 18)	452	452	92	92
	<u>24,177</u>	<u>24,451</u>	<u>20,087</u>	<u>20,228</u>

15. PROVISION FOR LIABILITIES

Provision for liabilities is in respect of deferred taxation.

Group and Company	£'000
At 1 October 2015	30
Deferred tax release to the profit and loss account	(30)
At 30 September 2016	<u>-</u>

The deferred tax balance consists of the following amounts:

	2016 £'000	2015 £'000
Capital allowances in excess of depreciation	-	30
	<u>-</u>	<u>30</u>

There is no unprovided deferred tax.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

16. CALLED UP SHARE CAPITAL

	2016 £'000	2015 £'000
Called up, allotted and fully paid		
19,000,000 'A' ordinary shares of £1 each	19,000	19,000
1,000,000 'B' ordinary shares of £1 each	1,000	1,000
	<u>20,000</u>	<u>20,000</u>

All shares rank pari passu in all respects.

No dividend was approved or paid during the year.

17. FINANCIAL COMMITMENTS

At 30 September, the total future minimum lease payments under non-cancellable operating leases are as follow:

	2016 Land & buildings £'000	2015 Land & buildings £'000
Leases which expire:		
Within one year	286	374
Between one and five years	383	614
After more than five years	-	55
	<u>669</u>	<u>1,043</u>

18. FINANCIAL INSTRUMENTS

Group

	2016 £'000	2015 £'000
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	6,352	5,858
	<u>6,352</u>	<u>5,858</u>
Financial liabilities		
Measured at fair value through profit or loss		
Derivative financial liabilities	452	92
Measured at undiscounted amount payable		
Trade and other creditors	22,442	19,064
	<u>22,894</u>	<u>19,156</u>

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

18. FINANCIAL INSTRUMENTS (Continued)

Company	2016 £'000	2015 £'000
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	6,726	6,081
	<u>6,726</u>	<u>6,081</u>
Financial liabilities		
Measured at fair value through profit or loss		
Derivative financial liabilities	452	92
Measured at undiscounted amount payable		
Trade and other creditors	22,809	19,379
	<u>23,261</u>	<u>19,471</u>

The fair value of derivative financial assets and liabilities are based on market value price quotations at the reporting date. The loss on derivative financial instruments recognised in the profit and loss account during the year was £360,000 (2015: £92,000 loss).

Derivatives are comprised of financial currency contracts with monthly settlement dates up to November 2017.

19. KEY MANAGEMENT REMUNERATION

The directors of the group are considered to constitute key management. Details of their remuneration is detailed in note 5.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTIES

The immediate and ultimate holding company is Noble Foods Group Guernsey Limited, a company incorporated in Guernsey.

The voting share capital of Noble Foods Group Guernsey Limited is owned 50% by M R J Kent, 49% by Phase Investments and 1% by P D Dean and these are therefore considered as the ultimate controlling parties.

21. RELATED PARTY TRANSACTIONS

During the year the Group paid management fees to and received funding from Noble Foods Limited and Noble Foods Group Limited of £6,120,486 (2015: £130,811). Both Noble Foods Limited and Noble Foods Group Limited are company's which have a common ultimate parent company and are company's in which P D Dean and M R J Kent are the ultimate controlling parties.

22. CONTINGENT LIABILITY

The company has guaranteed by way of a fixed and floating charge over its assets, the bank borrowings of its parent company and other group companies.

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 30 September 2016

23. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

Group	2016 £'000	2015 £'000
Operating profit	4,849	2,519
Depreciation and amortisation	2,087	2,154
Loss on disposal of fixed assets	20	-
(Increase) in stocks	(606)	(2,446)
(Increase)/Decrease in debtors	(404)	2,530
Decrease in creditors	(218)	(634)
Taxation paid	(865)	(120)
Net cash inflow from operating activities	<u>4,863</u>	<u>4,003</u>

Company	2016 £'000	2015 £'000
Operating profit	4,551	2,517
Depreciation and amortisation	2,085	2,150
(Increase) in stocks	(606)	(2,461)
(Increase)/Decrease in debtors	(553)	2,587
Increase/(Decrease) in creditors	572	(701)
Taxation paid	(838)	(132)
Net cash inflow from operating activities	<u>5,211</u>	<u>3,960</u>

NOBLE DESSERTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 September 2016

24. TRANSITION TO FRS 102

The Group and Company have transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2014. The impact of the transition to FRS 102 is as follows:

Group	At 1 October 2014 £'000	At 30 September 2015 £'000
Reconciliation of Equity at 1 October 2014 and 30 September 2015		
Equity reported under previous UK GAAP	14,435	15,918
Derivatives net of tax	-	(73)
	<u>14,435</u>	<u>15,845</u>
Equity reported under FRS 102	<u>14,435</u>	<u>15,845</u>
		2015 £'000
Reconciliation of profit attributable to equity shareholders for the year ended 30 September 2015		
Profit for the year under UK GAAP		1,504
Derivatives net of tax		(73)
		<u>1,431</u>
Profit attributable to equity shareholders for the year under FRS102		<u>1,431</u>
Company	At 1 October 2014 £'000	At 30 September 2015 £'000
Reconciliation of Equity at 1 October 2014 and 30 September 2015		
Equity reported under previous UK GAAP	14,117	15,635
Derivatives net of tax	-	(73)
	<u>14,117</u>	<u>15,562</u>
Equity reported under FRS 102	<u>14,117</u>	<u>15,562</u>
		2015 £'000
Reconciliation of profit attributable to equity shareholders for the year ended 30 September 2015		
Profit for the year under UK GAAP		1,518
Derivatives net of tax		(73)
		<u>1,445</u>
Profit attributable to equity shareholders for the year under FRS102		<u>1,445</u>

Derivatives

The Group and Company have forward currency contracts open at the balance sheet date, which have been recognised at fair value. Under previous GAAP there was no requirement to recognise the fair value of these derivatives in the balance sheet