

**THATCHERS (MYRTLE FARM) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



# **THATCHERS (MYRTLE FARM) LIMITED**

## **COMPANY INFORMATION**

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### **DIRECTORS**

Mr J Thatcher  
Mrs A M Thatcher  
Mr M Thatcher  
Mr R Davis (appointed 17 January 2017)

### **REGISTERED NUMBER**

08473484

### **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 (MYRTLE FARM) LIMITED**

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## **THATCHERS (MYRTLE FARM) LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2016**

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

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

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

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

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

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

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

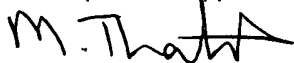
#### **FINANCIAL KEY PERFORMANCE INDICATORS**

Turnover for the year has increased by 10% (£6.9m) and this turnover equates to £527,000 per headcount.

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

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

This report was approved by the board on



**Mr M Thatcher**  
Director

12/4/17

and signed on its behalf.

## **THATCHERS (MYRTLE FARM) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016**

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

#### **PRINCIPAL ACTIVITY**

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £929,215 (2015: £314,034).

During the year dividends of £401,000 (2015: £488,000) were recommended and paid.

#### **DIRECTORS**

The directors who served during the year were:

Mr J Thatcher  
Mrs A M Thatcher  
Mr M Thatcher

#### **DONATIONS**

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

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

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

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

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

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Group since the year end.

**THATCHERS (MYRTLE FARM) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**AUDITORS**

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

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



**Mr M Thatcher**  
Director

Date: 18/4/17

Myrtle Farm  
Station Road  
Sandford  
Winscombe  
Somerset  
BS25 5RA

## **THATCHERS (MYRTLE FARM) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016**

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The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the group's financial statements 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;
- 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 company and 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 (MYRTLE FARM) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THATCHERS (MYRTLE FARM) LIMITED**

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We have audited the financial statements of Thatchers (Myrtle Farm) Limited for the year ended 31 August 2016, set out on pages 7 to 34. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 August 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (including Financial Reporting Standard 102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.



**THATCHERS (MYRTLE FARM) LIMITED**

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Andrew Sandiford BCom FCA (Senior statutory auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square

Bristol

BS1 4NT

Date:

19/4/17

**THATCHERS (MYRTLE FARM) LIMITED**

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

	Note	2016 £	2015 £
Turnover	3	73,252,850	65,752,262
Cost of sales		(39,618,356)	(36,691,375)
<b>GROSS PROFIT</b>		<b>33,634,494</b>	<b>29,060,887</b>
Distribution costs		(6,385,972)	(5,441,179)
Administrative expenses		(24,841,309)	(21,856,495)
Other operating income	4	3,171	3,170
<b>OPERATING PROFIT</b>	5	<b>2,410,384</b>	<b>1,766,383</b>
Interest receivable and similar income		1,267	2,597
Interest payable and expenses	10	(171,245)	(164,408)
<b>PROFIT BEFORE TAXATION</b>		<b>2,240,406</b>	<b>1,604,572</b>
Tax on profit	11	(1,311,191)	(1,290,538)
<b>PROFIT FOR THE YEAR</b>		<b>929,215</b>	<b>314,034</b>

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

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

The notes on pages 14 to 34 form part of these financial statements.

All amounts relate to continuing operations.

**THATCHERS (MYRTLE FARM) LIMITED**  
**REGISTERED NUMBER:08473484**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>FIXED ASSETS</b>					
Intangible assets	13		7,075,845		11,391,396
Tangible assets	14		29,377,689		23,715,901
			<u>36,453,534</u>		<u>35,107,297</u>
<b>CURRENT ASSETS</b>					
Stocks	17	3,565,126		3,557,744	
Debtors: amounts falling due within one year	18	16,823,789		14,988,335	
Cash at bank and in hand	19	1,955,827		1,781,006	
		<u>22,344,742</u>		<u>20,327,085</u>	
Creditors: amounts falling due within one year	20	(20,406,289)		(16,896,249)	
<b>NET CURRENT ASSETS</b>			<u>1,938,453</u>		<u>3,430,836</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>38,391,987</u>		<u>38,538,133</u>
Creditors: amounts falling due after more than one year	21		(2,644,613)		(3,330,108)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	25	(506,619)		(495,485)	
			<u>(506,619)</u>		<u>(495,485)</u>
<b>NET ASSETS</b>			<u>35,240,755</u>		<u>34,712,540</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	26		9,816,001		9,816,001
Share premium account	27		25,184,000		25,184,000
Profit and loss account	27		240,754		(287,461)
			<u>35,240,755</u>		<u>34,712,540</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: 13/4/17

The notes on pages 14 to 34 form part of these financial statements.

**THATCHERS (MYRTLE FARM) LIMITED**  
**REGISTERED NUMBER:08473484**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2016**

		Note	2016 £	2016 £	2015 £
<b>FIXED ASSETS</b>					
Investments	15		35,100,001		35,100,000
			<u>35,100,001</u>		<u>35,100,000</u>
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	18	9,424,120		6,204,000	
Cash at bank and in hand	19	302		62	
		<u>9,424,422</u>		<u>6,204,062</u>	
Creditors: amounts falling due within one year	20	(415,893)		(293,892)	
<b>NET CURRENT ASSETS</b>			<u>9,008,529</u>		<u>5,910,170</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>44,108,530</u>		<u>41,010,170</u>
<b>NET ASSETS</b>					
			<u>44,108,530</u>		<u>41,010,170</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	26		9,816,001		9,816,001
Share premium account	27		25,184,000		25,184,000
Profit and loss account	27		9,108,529		6,010,169
			<u>44,108,530</u>		<u>41,010,170</u>

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



**Mr M Thatcher**

Director

18/4/12

Date:

The notes on pages 14 to 34 form part of these financial statements.

**THATCHERS (MYRTLE FARM) LIMITED**

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 September 2015	9,816,001	25,184,000	(287,461)	34,712,540
Profit for the year	-	-	929,215	929,215
Dividends: Equity capital	-	-	(401,000)	(401,000)
<b>AT 31 AUGUST 2016</b>	<b>9,816,001</b>	<b>25,184,000</b>	<b>240,754</b>	<b>35,240,755</b>

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 September 2014	9,816,001	25,184,000	(113,495)	34,886,506
Profit for the year	-	-	314,034	314,034
Dividends: Equity capital	-	-	(488,000)	(488,000)
<b>AT 31 AUGUST 2015</b>	<b>9,816,001</b>	<b>25,184,000</b>	<b>(287,461)</b>	<b>34,712,540</b>

The notes on pages 14 to 34 form part of these financial statements.

**THATCHERS (MYRTLE FARM) LIMITED**

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2015	9,816,001	25,184,000	6,010,169	41,010,170
Profit for the year	-	-	3,499,360	3,499,360
Dividends: Equity capital	-	-	(401,000)	(401,000)
<b>AT 31 AUGUST 2016</b>	<b>9,816,001</b>	<b>25,184,000</b>	<b>9,108,529</b>	<b>44,108,530</b>

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2014	9,816,001	25,184,000	3,000,000	38,000,001
Profit for the year	-	-	3,498,169	3,498,169
Dividends: Equity capital	-	-	(488,000)	(488,000)
<b>AT 31 AUGUST 2015</b>	<b>9,816,001</b>	<b>25,184,000</b>	<b>6,010,169</b>	<b>41,010,170</b>

The notes on pages 14 to 34 form part of these financial statements.

**THATCHERS (MYRTLE FARM) LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>2016</b> £	<b>2015</b> £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	<b>929,215</b>	314,034
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	<b>4,315,551</b>	4,292,725
Depreciation of tangible assets	<b>3,841,983</b>	2,984,146
Loss on disposal of tangible assets	<b>95,142</b>	(15,923)
Interest paid	<b>171,245</b>	164,408
Interest received	<b>(1,267)</b>	(2,597)
Tax charge	<b>1,311,191</b>	1,290,538
(Increase)/decrease in stocks	<b>(7,382)</b>	1,330,806
(Increase) in debtors	<b>(1,835,452)</b>	(1,335,457)
Increase in creditors	<b>3,172,500</b>	960,455
Corporation tax paid	<b>(1,154,522)</b>	(1,146,923)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>10,838,204</b>	8,836,212
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	-	(343,284)
Purchase of tangible fixed assets	<b>(9,629,128)</b>	(7,106,924)
Sale of tangible fixed assets	<b>30,215</b>	85,917
Interest received	<b>1,267</b>	2,597
HP interest paid	<b>(37,807)</b>	(53,571)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(9,635,453)</b>	(7,415,265)

**THATCHERS (MYRTLE FARM) LIMITED**

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

	2016 £	2015 £
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans	(232,516)	(267,248)
Repayment of other loans	(20,000)	(100,000)
Repayment of/new finance leases	(347,095)	(1,402,198)
Dividends paid	(401,000)	(488,000)
Interest paid	(133,438)	(107,762)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,134,049)</b>	<b>(2,365,208)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>68,702</b>	<b>(944,261)</b>
Cash and cash equivalents at beginning of year	1,767,166	2,711,427
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>1,835,868</b>	<b>1,767,166</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	1,955,827	1,781,006
Bank overdrafts	(119,959)	(13,840)
	<b>1,835,868</b>	<b>1,767,166</b>



## **THATCHERS (MYRTLE FARM) LIMITED**

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

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#### **1. GENERAL INFORMATION**

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

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 34.

The following principal accounting policies have been applied:

##### **2.2 BASIS OF CONSOLIDATION**

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

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

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

**2. ACCOUNTING POLICIES (continued)**

**2.3 TURNOVER**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

**Sale of goods**

Revenue 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 revenue 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**

Revenue 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 revenue 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.

## THATCHERS (MYRTLE FARM) LIMITED

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

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## 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 described below..

The estimated useful lives range as follows:

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

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

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

### 2.5 VALUATION OF INVESTMENTS

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

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

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

### 2.6 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.

### 2.7 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.

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

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**2. ACCOUNTING POLICIES (continued)**

**2.8 CASH AND CASH EQUIVALENTS**

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

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

**2.9 FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of

## **THATCHERS (MYRTLE FARM) LIMITED**

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

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## **2. ACCOUNTING POLICIES (continued)**

### **2.9 FINANCIAL INSTRUMENTS (CONTINUED)**

derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

### **2.10 CREDITORS**

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

### **2.11 GOVERNMENT GRANTS**

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

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

### **2.12 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

### **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.

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

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**2. ACCOUNTING POLICIES (continued)**

**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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**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 accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

**2.16 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

**2.17 LEASED ASSETS: THE GROUP AS LESSEE**

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

**2.18 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.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 September 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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

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2. ACCOUNTING POLICIES (continued)

2.19 INTANGIBLE ASSETS

**GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**OTHER 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.

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

The estimated useful lives range as follows:

Goodwill	-	5	years
Trademarks	-	10	years

2.20 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

**THATCHERS (MYRTLE FARM) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016****3. TURNOVER**

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

	2016 £	2015 £
Cider sales	70,371,337	63,744,333
Fruit processing	1,399,472	1,832,591
Property rental/sundry	20,576	17,525
Public house (Railway Inn sales)	1,461,465	157,813
	<u>73,252,850</u>	<u>65,752,262</u>

**4. OTHER OPERATING INCOME**

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

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	3,841,983	2,984,146
Amortisation of intangible assets, including goodwill	4,315,551	4,292,725
Exchange differences	60,979	(39,758)
	<u>8,218,513</u>	<u>7,237,113</u>

**6. AUDITORS' REMUNERATION**

	2016 £	2015 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	27,055	26,750
Fees payable to the group's auditor in respect of tax compliance and related services	12,415	3,775
	<u>39,470</u>	<u>30,525</u>



## THATCHERS (MYRTLE FARM) LIMITED

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

#### 7. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	6,010,781	5,075,401
Social security costs	614,243	533,449
Cost of defined contribution scheme	180,378	156,640
	<u>6,805,402</u>	<u>5,765,490</u>

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

	2016 No.	2015 No.
Production	52	51
Distribution	64	59
Office and administration	26	25
Orchard	8	6
Public house (Railway Inn)	45	-
	<u>195</u>	<u>141</u>

#### 8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	237,065	237,126
Contributions to defined contribution pension schemes	24,000	24,000
	<u>261,065</u>	<u>261,126</u>

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

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

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,000 (2015: £24,000).

**THATCHERS (MYRTLE FARM) LIMITED**

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

**9. INTEREST RECEIVABLE**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>1,267</b>	2,597
	<u><b>1,267</b></u>	<u>2,597</u>

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>112,494</b>	83,266
Other loan interest payable	<b>6,792</b>	24,496
Finance leases and hire purchase contracts	<b>37,807</b>	53,571
Other interest payable	<b>14,152</b>	3,075
	<u><b>171,245</b></u>	<u>164,408</u>

**11. TAXATION**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>1,300,057</b>	1,162,728
Adjustments in respect of previous periods	-	(456)
<b>TOTAL CURRENT TAX</b>	<u><b>1,300,057</b></u>	<u>1,162,272</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>117,541</b>	128,266
Adjustments in respect of prior periods	<b>(55,289)</b>	-
Effect of tax rate change on opening balance	<b>(51,118)</b>	-
<b>TOTAL DEFERRED TAX</b>	<u><b>11,134</b></u>	<u>128,266</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u><b>1,311,191</b></u>	<u>1,290,538</u>

**THATCHERS (MYRTLE FARM) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016****11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	2016 £	2015 £
Profit on ordinary activities before tax	<b>2,240,406</b>	1,604,572
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.58%)	<b>448,081</b>	330,234
<b>EFFECTS OF:</b>		
Fixed asset differences	<b>114,595</b>	-
Expenses not deductible for tax purposes	<b>881,327</b>	977,817
Adjustments to tax charge in respect of prior periods	-	(456)
Short term timing difference leading to an increase (decrease) in taxation	-	3,864
Non-taxable income	(222)	(5,798)
Other tax adjustments, reliefs and transfers	(2,125)	(14,881)
Adjustment in respect of prior periods	(10,997)	-
Adjustments in respect of prior periods - deferred tax	(55,289)	-
Adjust closing deferred tax to average rate	(64,179)	-
Marginal relief	-	(242)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>1,311,191</b>	1,290,538

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

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

**12. PARENT COMPANY PROFIT FOR THE YEAR**

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £3,499,360 (2015: £3,498,169).

**THATCHERS (MYRTLE FARM) LIMITED**

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

**13. INTANGIBLE ASSETS**

**GROUP**

	<b>Trademarks £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>			
At 1 September 2015	<b>354,646</b>	<b>21,405,817</b>	<b>21,760,463</b>
At 31 August 2016	<b>354,646</b>	<b>21,405,817</b>	<b>21,760,463</b>
<b>AMORTISATION</b>			
At 1 September 2015	<b>22,924</b>	<b>10,346,143</b>	<b>10,369,067</b>
Charge for the year	<b>34,388</b>	<b>4,281,163</b>	<b>4,315,551</b>
At 31 August 2016	<b>57,312</b>	<b>14,627,306</b>	<b>14,684,618</b>
<b>NET BOOK VALUE</b>			
At 31 August 2016	<b>297,334</b>	<b>6,778,511</b>	<b>7,075,845</b>
At 31 August 2015	<b>331,722</b>	<b>11,059,674</b>	<b>11,391,396</b>

**THATCHERS (MYRTLE FARM) LIMITED**

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

**14. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST</b>					
At 1 September 2015	14,032,903	25,125,694	883,068	720,467	40,762,132
Additions	1,695,738	7,603,456	297,762	32,172	9,629,128
Disposals	-	(3,194,396)	(103,640)	(56,615)	(3,354,651)
At 31 August 2016	15,728,641	29,534,754	1,077,190	696,024	47,036,609
<b>DEPRECIATION</b>					
At 1 September 2015	1,843,040	14,611,174	318,190	273,828	17,046,232
Charge for period on owned assets	578,310	2,725,178	181,870	88,395	3,573,753
Charge for period on financed assets	-	268,230	-	-	268,230
Disposals	-	(3,113,870)	(72,666)	(42,759)	(3,229,295)
At 31 August 2016	2,421,350	14,490,712	427,394	319,464	17,658,920
<b>NET BOOK VALUE</b>					
At 31 August 2016	13,307,291	15,044,042	649,796	376,560	29,377,689
At 31 August 2015	12,189,863	10,514,520	564,879	446,639	23,715,901

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	13,307,291	12,189,863
	<u>13,307,291</u>	<u>12,189,863</u>

**THATCHERS (MYRTLE FARM) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016****15. FIXED ASSET INVESTMENTS****Company**

	<b>Investments in subsidiary companies £</b>
<b>COST OR VALUATION</b>	
At 1 September 2015	<b>35,100,000</b>
Additions	<b>1</b>
At 31 August 2016	<b>35,100,001</b>
At 31 August 2016	<b>-</b>
<b>NET BOOK VALUE</b>	
At 31 August 2016	<b>35,100,001</b>
At 31 August 2015	<b>35,100,000</b>

**16. SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Thatchers Holdings Limited	UK	Ordinary	100 %	Holding company
John Thatcher Farming Limited	UK	Ordinary	100 %	Management and farming of apple orchards
Thatchers Railway Inn Limited	UK	Ordinary	100 %	Operation of a public house
Thatchers Cider Company Limited *	UK	Ordinary	100 %	Manufacture and sale of cider

\*Held indirectly through Thatchers Holdings Limited.

# THATCHERS (MYRTLE FARM) LIMITED

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

### 17. STOCKS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cider, concentrate, juices and ingredients	3,008,948	3,126,763	-	-
Containers and packaging	387,624	330,937	-	-
Equipment	168,554	100,044	-	-
	<u>3,565,126</u>	<u>3,557,744</u>	<u>-</u>	<u>-</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 £17,677,855 (2015: £16,014,327).

An impairment loss of £55,551 (2015: £173,295) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

### 18. DEBTORS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	16,179,489	14,522,039	-	-
Amounts owed by group undertakings	-	-	9,424,000	6,204,000
Other debtors	68,533	35,789	120	-
Prepayments and accrued income	575,767	430,507	-	-
	<u>16,823,789</u>	<u>14,988,335</u>	<u>9,424,120</u>	<u>6,204,000</u>

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

### 19. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,955,827	1,781,006	302	62
Less: bank overdrafts	(119,960)	(13,840)	-	-
	<u>1,835,867</u>	<u>1,767,166</u>	<u>302</u>	<u>62</u>

# THATCHERS (MYRTLE FARM) LIMITED

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

### 20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	119,960	13,840	-	-
Bank loans	235,618	232,982	-	-
Other loans	180,000	100,000	-	-
Trade creditors	6,525,420	9,018,251	-	-
Amounts owed to group undertakings	-	-	415,893	293,892
Corporation tax	593,661	448,126	-	-
Taxation and social security	2,994,700	1,480,004	-	-
Obligations under finance lease and hire purchase contracts	350,243	346,995	-	-
Other creditors	2,653,882	2,216,069	-	-
Accruals and deferred income	6,752,805	3,039,982	-	-
	<b>20,406,289</b>	<b>16,896,249</b>	<b>415,893</b>	<b>293,892</b>

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

### 21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	1,897,629	2,132,781	-	-
Other loans	400,000	500,000	-	-
Net obligations under finance leases and hire purchase contracts	346,984	697,327	-	-
	<b>2,644,613</b>	<b>3,330,108</b>	<b>-</b>	<b>-</b>

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

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

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



**THATCHERS (MYRTLE FARM) LIMITED**

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

**22. LOANS**

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

**23. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Within one year	337,188	337,188
Between 1-2 years	249,916	337,188
Between 2-5 years	138,182	406,941
Less: interest	(52,124)	(52,124)
	<u>673,162</u>	<u>1,029,193</u>

**THATCHERS (MYRTLE FARM) LIMITED**

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

**24. FINANCIAL INSTRUMENTS**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
<b>FINANCIAL ASSETS</b>				
Financial assets that are debt instruments measured at amortised cost	<b>18,203,845</b>	16,312,210	<b>44,524,302</b>	41,304,062
	<u><b>18,203,845</b></u>	<u>16,312,210</u>	<u><b>44,524,302</b></u>	<u>41,304,062</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<b>(18,540,784)</b>	(16,980,390)	<b>(415,893)</b>	(293,892)
	<u><b>(18,540,784)</b></u>	<u>(16,980,390)</u>	<u><b>(415,893)</b></u>	<u>(293,892)</u>

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

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

**25. DEFERRED TAXATION**

**Group**

	<b>2016 £</b>	<b>2015 £</b>
At beginning of year	<b>495,485</b>	<b>367,219</b>
Charged to the profit or loss	<b>(11,134)</b>	<b>(128,266)</b>
<b>AT END OF YEAR</b>	<u><b>506,619</b></u>	<u><b>495,485</b></u>
	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Accelerated capital allowances	<b>(526,568)</b>	(501,669)
Short term timing differences	<b>19,949</b>	6,184
	<u><b>(506,619)</b></u>	<u>(495,485)</u>

## THATCHERS (MYRTLE FARM) LIMITED

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

#### 26. SHARE CAPITAL

	2016 £	2015 £
<b>SHARES CLASSIFIED AS EQUITY</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
9,816,000 Ordinary shares of £1 each	9,816,000	9,816,000
1 Deferred share of £1	1	1
	<u>9,816,001</u>	<u>9,816,001</u>

#### 27. RESERVES

##### Share premium

Includes amounts received in excess of the nominal value of shares issued.

##### Profit and loss account

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

#### 28. DIVIDENDS

	2016 £	2015 £
Dividends paid on equity capital	401,000	488,000
	<u>401,000</u>	<u>488,000</u>

#### 29. CONTINGENT LIABILITIES

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

In addition to the securities noted in note 20 and 21 there is a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 1 March 1999. These securities are held by HSBC Bank plc in relation to facilities supplied to the group. At the year end the total liability of these facilities was £Nil (2015: £Nil).

## THATCHERS (MYRTLE FARM) LIMITED

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

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#### 30. CAPITAL COMMITMENTS

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

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Contracted for but not provided in these financial statements	<b>2,545,134</b>	2,662,435
	<b><u>2,545,134</u></b>	<b><u>2,662,435</u></b>

#### 31. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £80,378 (2015: £156,640). Contributions totalling £31,481 (2015: £31,672) were payable to the fund at the reporting date.

#### 32. RELATED PARTY TRANSACTIONS

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

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

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

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

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

The company is the parent company of Thatchers Holdings Limited, Thatchers Cider Company Limited and John Thatcher Farming Limited and as such has taken advantage of the exemption contained in FRS 102 not to disclose transactions or balances with them. The group accounts of Thatchers (Myrtle Farm) Limited, within which Thatchers Holdings Limited, John Thatcher Farming Limited and Thatchers Cider Company Limited are included, are filed at the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 33. CONTROLLING PARTY

The ultimate controlling party of the company is its directors who jointly own 100% of the share capital.

**THATCHERS (MYRTLE FARM) LIMITED**

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

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**34. FIRST TIME ADOPTION OF FRS 102**

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