Registered number: SC335705

TAYLORS FOOD GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

COMPANY INFORMATION

Directors	Mr G C Taylor Mrs W B Taylor
Company secretary	Mrs W B Taylor
Registered number	SC335705
Registered office	The Old Brickworks Inchcoonans Road Errol Perthshire PH2 7RB
Independent auditors	EQ Accountants LLP Chartered Accountants & Statutory Auditors 14 City Quay Dundee DD1 3JA
Solicitors	Thorntons Law LLP Whitehall House 33 Yeaman House Dundee DD1 4BJ

TAYLORS FOOD GROUP LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present the strategic report for the year ended 30 June 2017.

Business review

Taylors Food Group limited and its subsidiaries undertake trading activities in letting of property, procurement and sale of potatoes, road haulage, and crisp manufacturing.

Principal risks and uncertainties

Strategic plan execution to secure a sustainable future

Disciplined and planned progress is underway. We are growing the business organically, where we presently need to review and consider the financial impacts associated with any opportunities.

Retailer focus shifts towards own label products

As retailers implement their own strategic plans, it is important that we are aware and well prepared to react if retailers move to promote their own labelled products, which in turn would be detrimental to our own branded sales.

Reliance on one sales sector

Increasing sales across all sectors and reducing exposure to any single customer will remain a priority.

Price Risk

The group is exposed to commodity price risk as a result of its operations. The business sources commodities in some volatile markets. Key raw materials can be exposed to adverse variations in pricing due to market movements. These movements are mitigated by forward contracting in these areas from up to eighteen months in advance. We remain to see the full impact of the Brexit vote.

Liquidity Risk

The group comprises of external funding from Clydesdale Bank PLC. Creditors are all being paid in line with agreed timescales, and collections are being retrieved broadly in line with credit terms. The objective of the group in managing liquidity is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

Customer Credit Exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong ongoing customer relationships and credit control strict procedures.

Interest Rate Risk

The group are paying fixed rates of interest which may be adversely or favourably affected by market rate movements.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Maintaining Food Standards

Daily food testing and weekly audits are undertaken from the business. A full BRC audit, being a requirement to be listed within retailers, is facilitated on an annual basis.

Development and performance

Meeting Bank Covenants

Refinancing of loan commitments in December 2015 has provided comfort to progress with our growth ambitions. General restructure of the business to achieve lower overall group costs have been rewarded by significantly reducing immediate debt and allowing the business to progress in a sustainable manner.

Key Performance Indicators

The directors view the Group's financial key performance indicators as:

	2017	*2016*
	£	*£*
Turnover	**5,928,228**	*6,017,099*
EBITDA	**966,765**	*1,003,915*
Profit Before Tax	**451,912**	*532,347*

In the year ended 30 June 2017, the group reports a decline in profit before tax of £80,435 and EBITDA of £37,150. The decline is respective of the loss of a key customer and increasing raw material prices. The directors are confident of returning to a growth position in the coming year.

This report was approved by the board on 19 January 2018 and signed on its behalf.

.....
Mr G C Taylor
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors' responsibilities statement

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;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activity

The principal activity of the company was letting of property, manufacture of premium crisps and that of road haulage contractors.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £370,733 *(2016 - £459,188)*.

Ordinary dividends were paid amounting to £125,564. The directors do not recommend payment of a further dividend.

Directors

The directors who served during the year were:

Mr G C Taylor
Mrs W B Taylor

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

Auditors

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

This report was approved by the board on 19 January 2018 and signed on its behalf.

.....
Mr G C Taylor
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TAYLORS FOOD GROUP LIMITED

Opinion

We have audited the financial statements of Taylors Food Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 June 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TAYLORS FOOD GROUP LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TAYLORS FOOD GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Douglas Rae (Senior Statutory Auditor)

for and on behalf of
EQ Accountants LLP

Chartered Accountants
Statutory Auditors

14 City Quay
Dundee
DD1 3JA

19 January 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	*2016 £*
Turnover	4	**5,928,228**	*6,017,099*
Cost of sales		**(4,208,418)**	*(4,507,522)*
Gross profit		**1,719,810**	*1,509,577*
Administrative expenses		**(1,199,321)**	*(944,634)*
Other operating income		**750**	*17,904*
Operating profit	5	**521,239**	*582,847*
Interest receivable and similar income	8	**-**	*20*
Interest payable and expenses	9	**(69,327)**	*(76,763)*
Fair value gains and losses on investment properties		**-**	*26,243*
Profit before taxation		**451,912**	*532,347*
Tax on profit	10	**(86,513)**	*(46,944)*
Profit for the financial year		**365,399**	*485,403*
Profit for the year attributable to:			
Owners of the parent Company		**370,733**	*459,188*
Non-controlling interests		**(5,334)**	*26,215*
		365,399	*485,403*

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 31 form part of these financial statements.

TAYLORS FOOD GROUP LIMITED
REGISTERED NUMBER: SC335705

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017 £		*2016* *£*
Fixed assets					
Intangible assets	12		**16,870**		*25,305*
Tangible assets	13		**2,492,777**		*2,519,326*
Investments	14		**100**		*100*
Investment property	15		**4,550,000**		*4,550,000*
			7,059,747		*7,094,731*
Current assets					
Stocks	16	**441,838**		*352,708*	
Debtors: amounts falling due within one year	17	**1,306,944**		*1,227,392*	
Cash at bank and in hand		**369,599**		*262,505*	
		2,118,381		*1,842,605*	
Creditors: amounts falling due within one year	18	**(2,361,038)**		*(2,255,070)*	
Net current liabilities			**(242,657)**		*(412,465)*
Total assets less current liabilities			**6,817,090**		*6,682,266*
Creditors: amounts falling due after more than one year	19		**(1,503,441)**		*(1,601,862)*
Provisions for liabilities					
Deferred taxation	22	**(144,731)**		*(151,321)*	
			(144,731)		*(151,321)*
Net assets			**5,168,918**		*4,929,083*
Capital and reserves					
Called up share capital	23		**5,340**		*5,340*
Share premium account	24		**199,660**		*199,660*
Profit and loss account	24		**4,868,403**		*4,623,234*
Equity attributable to owners of the parent Company			**5,073,403**		*4,828,234*
Non-controlling interests			**95,515**		*100,849*
			5,168,918		*4,929,083*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 January 2018.

.....
Mr G C Taylor
Director

TAYLORS FOOD GROUP LIMITED
REGISTERED NUMBER: SC335705

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017 £		*2016* *£*
Fixed assets					
Investments	14		**776,446**		*776,446*
			776,446		*776,446*
Current assets					
Cash at bank and in hand		**57**		*89*	
		57		*89*	
Creditors: amounts falling due within one year	18	**(571,503)**		*(571,535)*	
Net current liabilities			**(571,446)**		*(571,446)*
Total assets less current liabilities			**205,000**		*205,000*
Net assets			**205,000**		*205,000*
Capital and reserves					
Called up share capital	23		**5,340**		*5,340*
Share premium account	24		**199,660**		*199,660*
			205,000		*205,000*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 January 2018.

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Mr G C Taylor
Director

ISOLIDATED STATEMENT OF CHANGES IN EQUITY
: THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2015	**5,340**	**199,660**	**4,329,491**	**4,534,491**	**74,634**	**4,609,125**
Profit for the year	-	-	**459,188**	**459,188**	**26,215**	**485,403**
Dividends: Equity capital	-	-	**(165,445)**	**(165,445)**	-	**(165,445)**
At 1 July 2016	**5,340**	**199,660**	**4,623,234**	**4,828,234**	**100,849**	**4,929,083**
Profit for the year	-	-	**370,733**	**370,733**	**(5,334)**	**365,399**
Dividends: Equity capital	-	-	**(125,564)**	**(125,564)**	-	**(125,564)**
At 30 June 2017	**5,340**	**199,660**	**4,868,403**	**5,073,403**	**95,515**	**5,168,918**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	**5,340**	**199,660**	**-**	**205,000**
Profit for the year	-	-	**165,445**	**165,445**
Dividends: Equity capital	-	-	**(165,445)**	**(165,445)**
At 1 July 2016	**5,340**	**199,660**	**-**	**205,000**
Profit for the year	-	-	**125,564**	**125,564**
Dividends: Equity capital	-	-	**(125,564)**	**(125,564)**
At 30 June 2017	**5,340**	**199,660**	**-**	**205,000**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 £	*2016* *£*
Cash flows from operating activities		
Profit for the financial year	**365,399**	*485,403*
Adjustments for:		
Amortisation of intangible assets	**8,435**	*-*
Depreciation of tangible assets	**437,091**	*421,068*
Loss on disposal of tangible assets	**-**	*6,171*
Interest paid	**69,327**	*76,743*
Taxation charge	**86,513**	*46,944*
(Increase)/decrease in stocks	**(89,130)**	*11,970*
(Increase) in debtors	**(79,552)**	*(48,686)*
(Decrease) in creditors	**(4,116)**	*(302,129)*
Net fair value losses/(gains) recognised in P&L	**-**	*(26,243)*
Corporation tax (paid)	**(76,666)**	*(46,276)*
Net cash generated from operating activities	**717,301**	*624,965*
Investing activities		
Purchase of intangible fixed assets	**-**	*(25,305)*
Purchase of tangible fixed assets	**(410,542)**	*(217,759)*
Sale of tangible fixed assets	**-**	*118,940*
Interest received	**-**	*20*
Interest paid	**(69,327)**	*(76,763)*
Net cash from investing activities	**(479,869)**	*(200,867)*
Cash flows from financing activities		
New secured loans	**-**	*499,874*
Repayment of loans	**(188,694)**	*(445,123)*
New finance leases and repayments	**187,802**	*(42,375)*
Dividends paid	**(125,564)**	*(165,445)*
Net cash used in financing activities	**(126,456)**	*(153,069)*
Net increase in cash and cash equivalents	**110,976**	*271,029*
Cash and cash equivalents at beginning of year	**(628,034)**	*(899,063)*
Cash and cash equivalents at the end of year	**(517,058)**	*(628,034)*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**369,599**	*262,505*
Bank overdrafts	**(886,657)**	*(890,539)*
	(517,058)	*(628,034)*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. General information

Taylors Food Group Limited is a company limited by shares incorporated in Scotland within the United Kingdom. The address of the registered office is The Old Brickworks, Inchcoonans Road, Errol, Perthshire, PH2 7RB.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.3 Turnover

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

Sale of goods

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

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

Rendering of services

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

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

2.4 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 ten years.

The estimated useful lives range as follows:

Development expenditure	-	3 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

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

Depreciation is provided on the following basis:

Freehold property	- 4% and 20% straight line
Plant and machinery	- 10% - 33% straight line and 12.5% - 33% reducing balance
Motor vehicles	- 10% - 25% straight line and 25% reducing balance
Fixtures and fittings	- 10%-12.5% straight line and 33% reducing balance

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.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.9 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

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

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

2.11 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.

2. Accounting policies (continued)

2.13 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.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.15 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.

2.16 Pensions

Defined contribution pension plan

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.17 Current and deferred taxation

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

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

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

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

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

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key source of estimation uncertainty relates to the valuation of the investment property - the directors, with input from qualified experts as deemed necessary, estimate the fair value of the investment property, using available market information combined with a detailed knowledge of the property.

4. Turnover

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

	2017 £	*2016* *£*
Sale of goods	**4,810,908**	*4,978,685*
Haulage services	**709,379**	*621,389*
Rent received	**407,941**	*417,025*
	5,928,228	*6,017,099*

Analysis of turnover by country of destination:

	2017 £	*2016* *£*
United Kingdom	**5,135,063**	*5,321,560*
Overseas	**793,165**	*695,539*
	5,928,228	*6,017,099*

5. Operating profit

The operating profit is stated after charging:

	2017 £	*2016* *£*
Depreciation of tangible fixed assets	**437,091**	*421,068*
Amortisation of intangible assets, including goodwill	**8,435**	-
Exchange differences	**(3,835)**	*1,624*
Other operating lease rentals	**32,000**	*62,000*
Defined contribution pension cost	**14,589**	*6,934*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**7,400**	14,128

7. Employees

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	**491,016**	426,412	**-**	-
Social security costs	**31,468**	24,127	**-**	-
Cost of defined contribution scheme	**14,589**	6,934	**-**	-
	537,073	457,473	**-**	-

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

	2017 No.	2016 No.
Administration	**5**	8
Sales	**6**	7
Production and haulage	**41**	38
	52	53

8. Interest receivable

	2017 £	2016 £
Other interest receivable	**-**	20
	-	20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

9. Interest payable and similar charges

	2017 £	*2016* *£*
Bank interest payable	**48,826**	*60,804*
Finance leases and hire purchase contracts	**20,501**	*15,959*
	69,327	*76,763*

10. Taxation

	2017 £	*2016* *£*
Corporation tax		
Current tax on profits for the year	**93,103**	*76,666*
	93,103	*76,666*
Total current tax	**93,103**	*76,666*
Deferred tax		
Origination and reversal of timing differences	**(6,590)**	*(29,722)*
Total deferred tax	**(6,590)**	*(29,722)*
Taxation on profit on ordinary activities	**86,513**	*46,944*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2016 - lower than)* the standard rate of corporation tax in the UK of 20% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before tax	**451,912**	*532,347*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**90,382**	*106,469*
Effects of:		
Capital allowances for year in excess of depreciation	**5,347**	*1,315*
Utilisation of tax losses	**(10,479)**	-
Expenses not deductible for tax purposes	**7,853**	*73*
Non-taxable income	**-**	*(782)*
Changes in unrecognised deferred tax assets	**(6,590)**	*(60,131)*
Total tax charge for the year	**86,513**	*46,944*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2017 £	*2016* *£*
Dividends paid	**125,564**	*165,445*
	125,564	*165,445*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12. Intangible assets

Group and Company

	Development costs
	£
Cost	
At 1 July 2016	**25,305**
At 30 June 2017	**25,305**
Amortisation	
Charge for the year	**8,435**
At 30 June 2017	**8,435**
Net book value	
At 30 June 2017	**16,870**
At 30 June 2016	*25,305*

The company had no intangible fixed assets at 30 June 2017 or 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. Tangible fixed assets

Group

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 2016	**1,202,256**	**2,816,506**	**92,297**	**330,569**	**4,441,628**
Additions	**49,262**	**198,501**	**143,326**	**18,345**	**409,434**
At 30 June 2017	**1,251,518**	**3,015,007**	**235,623**	**348,914**	**4,851,062**
Depreciation					
At 1 July 2016	**148,964**	**1,518,686**	**16,192**	**238,460**	**1,922,302**
Charge for the year on owned assets	**48,518**	**304,023**	**45,657**	**38,894**	**437,092**
Disposals	**-**	**-**	**(1,109)**	**-**	**(1,109)**
At 30 June 2017	**197,482**	**1,822,709**	**60,740**	**277,354**	**2,358,285**
Net book value					
At 30 June 2017	**1,054,036**	**1,192,298**	**174,883**	**71,560**	**2,492,777**
At 30 June 2016	*1,053,292*	*1,297,820*	*76,105*	*92,109*	*2,519,326*

The company had no tangible fixed assets at 30 June 2017 or 30 June 2016.

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

	2017	*2016*
	£	*£*
Freehold Property	**35,125**	-
Plant and machinery	**359,736**	*232,670*
Motor vehicles	**147,407**	*52,473*
	542,268	*285,143*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14. Fixed asset investments

Group

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	**100**
At 30 June 2017	**100**
Net book value	
At 30 June 2017	**100**
At 30 June 2016	*100*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Taypack Potatoes Limited	Ordinary	100 %	Property letting, road haulage and sale of fresh potatoes
Mackie's at Taypack Limited	Ordinary	75 %	Crisp production
Taylors Crisps Limited	Ordinary	100 %	Dormant

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	**776,446**
At 30 June 2017	**776,446**
Net book value	
At 30 June 2017	**776,446**
At 30 June 2016	*776,446*

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 July 2016	**4,550,000**
At 30 June 2017	**4,550,000**

The 2017 valuations were made by the directors, on an open market value for existing use basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16. Stocks

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Raw materials and consumables	**348,567**	*295,904*	**-**	*-*
Finished goods and goods for resale	**93,271**	*56,804*	**-**	*-*
	441,838	*352,708*	**-**	*-*

Stock recognised in cost of sales during the year as an expense was £4,483,963 *(2016 - £3,912,573)*.

17. Debtors

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade debtors	**1,183,652**	*1,110,958*	**-**	*-*
Other debtors	**6,982**	*-*	**-**	*-*
Prepayments and accrued income	**116,310**	*116,434*	**-**	*-*
	1,306,944	*1,227,392*	**-**	*-*

18. Creditors: Amounts falling due within one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Bank overdrafts	**886,657**	*890,539*	**-**	*-*
Bank loans	**194,435**	*188,695*	**-**	*-*
Other loans	**48,805**	*46,928*	**-**	*-*
Trade creditors	**707,938**	*574,097*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**571,503**	*571,535*
Corporation tax	**93,103**	*76,666*	**-**	*-*
Other taxation and social security	**80,193**	*80,834*	**-**	*-*
Obligations under finance lease and hire purchase contracts	**124,535**	*81,553*	**-**	*-*
Other creditors	**67,022**	*103,243*	**-**	*-*
Accruals and deferred income	**158,350**	*212,515*	**-**	*-*
	2,361,038	*2,255,070*	**571,503**	*571,535*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Bank loans	**1,166,379**	*1,360,815*	**-**	*-*
Other loans	**50,757**	*99,562*	**-**	*-*
Net obligations under finance leases and hire purchase contracts	**286,305**	*141,485*	**-**	*-*
	1,503,441	*1,601,862*	**-**	*-*

20. Loans

Loans included within creditors are due as follows:

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Amounts falling due within one year				
Bank loans	**194,435**	*188,695*	**-**	*-*
Other loans	**48,805**	*46,928*	**-**	*-*
	243,240	*235,623*	**-**	*-*
Amounts falling due 1-2 years				
Bank loans	**200,349**	*114,117*	**-**	*-*
Other loans	**50,757**	*99,562*	**-**	*-*
	251,106	*213,679*	**-**	*-*
Amounts falling due 2-5 years				
Bank loans	**496,233**	*648,252*	**-**	*-*
	496,233	*648,252*	**-**	*-*
Amounts falling due after more than 5 years				
Bank loans	**469,799**	*598,446*	**-**	*-*
	469,799	*598,446*	**-**	*-*
	1,460,378	*1,696,000*	**-**	*-*

The bank loans are secured by a floating charge over all assets of the company to which they relate, and a standard security over the investment property in favour of the bank.

Other loans are secured by a fixed charge over the investment property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	*Group 2016 £*
Within one year	**124,535**	*81,553*
More than one year	**286,305**	*141,485*
	410,840	*223,038*

22. Deferred taxation

Group

	2017 £
At beginning of year	**151,321**
Charged to profit or loss	**(6,590)**
At end of year	**144,731**

At end of year

	Group 2017 £	Company 2017 £
Accelerated capital allowances	**212,792**	**-**
Tax losses carried forward	**(78,456)**	**-**
Other item - user input 1	**10,395**	**-**
	144,731	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

23. Share capital

	2017 £	*2016 £*
Shares classified as equity		
Allotted, called up and fully paid		
5,340 Ordinary shares of £1 each	**5,340**	*5,340*

24. Reserves

Share premium account

The share premium account contains the premium paid on the original issue of shares at their par value.

Profit and loss account

The profit and loss account relates to the accumulated profit or loss made by the group in the preceding periods in which it operated.

25. Pension commitments

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. A cost of £14,589 (2016: £6,934) relating to the period was charged to the profit and loss account in the year.

26. Commitments under operating leases

At 30 June 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	*Group 2016 £*
Not later than 1 year	**64,950**	*71,477*
Later than 1 year and not later than 5 years	**272,472**	*365,273*
Later than 5 years	**36,485**	*1,129,567*
	373,907	*1,566,317*

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