

Company Registration No. 00504226 (England and Wales)

DENHAY FARMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

WEDNESDAY



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DENHAY FARMS LIMITED

COMPANY INFORMATION

Directors

The Rt Hon H L A Viscount Hood
J P Loescher
S J Streatfeild
G H Streatfeild
The Hon J S Hood
Mrs A C Streatfeild
S M Hill
D K Homan
D R Stacey

Secretary

Bart Secretaries Limited

Company number

00504226

Registered office

The Paragon
Counterslip
Bistol
BS1 6BX

Auditors

Mitchams
Chartered Accountants
1 Cornhill
Ilminster
Somerset
TA19 0AD

Business address

Broad oak,
Bridport,
Dorset
DT6 5NP

Bankers

Barclays Bank PLC
28, East Street,
Bridport,
Dorset
DT6 3LG

DENHAY FARMS LIMITED

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The following does not form part of the statutory accounts.-

Detailed trading and profit and loss account

DENHAY FARMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities and review of the business

The principal activity of the company continued to be that of farming, cheese making and bacon curing

Fair review of the business

The company continues to concentrate on its core areas dairy farming producing milk which is used for its cheese making enterprise at Broadoak and bacon curing, slicing and packing at the Honiton factory

Principal risks and uncertainties

The company's focus is on producing high quality food products principally West Country Farmhouse Cheddar and Dry Cured Bacon

Reflecting the structure of the UK food chain, the company's main customers are predominantly high street supermarkets

The Waitrose Duchy brand our own brand label and our Spoilt Pig brand continue to do well We have launched a new brand of sausage under the Spoilt Pig label

In June 2013 a decision was taken to cease the production of cheese and sell the milk we produce All cheese currently in the manufacturing process will be fully matured and sold to the current customers

The key financial highlights are as follows -

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Turnover	£10,687,880	£10,076,779	£9,101,501	£9,017,012
Gross profit margin	6.63%	8.12%	8.72%	4.17%
Profit/(loss) before tax	£193,331	£254,413	£219,535	£(285,567)

The company's principle finance instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations

Due to the nature of the finance instruments used by the company there is no exposure to price risk The company's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

In respect of loans these comprise loans from the major shareholders and loans from financial institutions The company manages the liquidity risk by ensuring there are sufficient funds to meet the monthly repayment and interest charges

The company is a lessee in respect of finance leased assets The liquidity risk in respect of these is managed in the same way as loans above

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Results and dividends

The results for the year are set out on page 6

The directors do not recommend the payment of any dividends for the year

Fixed assets

Details of assets acquired and disposed of are shown in the notes to the Financial Statements

No credit is taken in the Accounts for the value of the Company's Milk Quota acquired at nil value upon the original introduction of Quotas Milk Quota purchased has or is being written off (See Note 1.3)

DENHAY FARMS LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2013**

Directors

The following directors have held office since 1 April 2012

The Rt Hon H L A Viscount Hood

J P Loescher

S J Streatfeild

G H Streatfeild

The Hon J S Hood

Mrs A C Streatfeild

S M Hill

D K Homan

D R Stacey

In accordance with the company's Articles of Association, The Rt Hon H L A Viscount Hood retires by rotation and, being eligible, offers himself for re-election

Auditors

In accordance with the company's articles, a resolution proposing that Mitchams be reappointed as auditors of the company will be put at a General Meeting

DENHAY FARMS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgements 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 company will continue in business.

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


J P Loescher
Director
1 October 2013

DENHAY FARMS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DENHAY FARMS LIMITED

We have audited the financial statements of Denhay Farms Limited for the year ended 31 March 2013 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 set out on pages 1 - 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 24 to the financial statements.

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 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 March 2013 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

DENHAY FARMS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DENHAY FARMS LIMITED

Matters on which we are required to report by exception

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

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



Timothy Maclellan (Senior Statutory Auditor)
for and on behalf of Mitchams

1 October 2013

Chartered Accountants

Statutory Auditor

1 Cornhill

Ilminster

Somerset

TA19 0AD

DENHAY FARMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	10,687,880	10,076,779
Cost of sales		(9,978,869)	(9,259,908)
Gross profit		709,011	816,871
Administrative expenses		(499,011)	(519,702)
Other operating income		27,038	660
Operating profit	3	237,038	297,829
Other interest receivable and similar income	4	7,858	5,324
Interest payable and similar charges	5	(51,565)	(48,740)
Profit on ordinary activities before taxation		193,331	254,413
Tax on profit on ordinary activities	6	(49,479)	(81,861)
Profit for the year	18	143,852	172,552

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

DENHAY FARMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2013

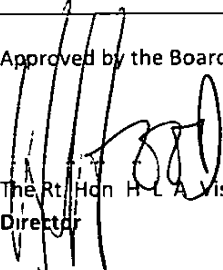
	Notes	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	7		-		339
Tangible assets	8		1,826,567		1,638,282
Investments	9		46,039		46,039
			<u>1,872,606</u>		<u>1,684,660</u>
Current assets					
Stocks	10	3,173,523		2,865,582	
Debtors	11	1,806,143		1,335,855	
Cash at bank and in hand		1,637		1,774	
		<u>4,981,303</u>		<u>4,203,211</u>	
Creditors: amounts falling due within one year	12	(2,629,826)		(1,631,225)	
Net current assets			<u>2,351,477</u>		<u>2,571,986</u>
Total assets less current liabilities			<u>4,224,083</u>		<u>4,256,646</u>
Creditors: amounts falling due after more than one year	13		(552,950)		(718,305)
Provisions for liabilities	14		(32,100)		(42,500)
Accruals and deferred income	15		(7,012)		(7,672)
			<u>3,632,021</u>		<u>3,488,169</u>
Capital and reserves					
Called up share capital	17		245,280		245,280
Share premium account	18		30,098		30,098
Other reserves	18		25,000		25,000
Profit and loss account	18		3,331,643		3,187,791
Shareholders' funds	19		<u>3,632,021</u>		<u>3,488,169</u>

DENHAY FARMS LIMITED

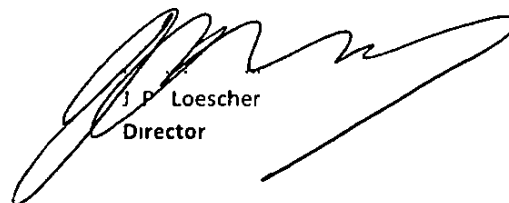
BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2013

Approved by the Board and authorised for issue on **1 October 2013**


The Rt Hon H L A Viscount Hood
Director

Company Registration No 00504226


J P Loescher
Director

DENHAY FARMS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		44,397		540,074
Returns on investments and servicing of finance				
Interest received	7,858		5,324	
Interest paid	(51,565)		(48,740)	
Net cash outflow for returns on investments and servicing of finance		(43,707)		(43,416)
Taxation		(77,361)		(52,587)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(852)		-	
Payments to acquire tangible assets	(528,796)		(370,782)	
Payments to acquire investments	-		(708)	
Receipts from sales of tangible assets	47,180		27,200	
Net cash outflow for capital expenditure		(482,468)		(344,290)
Net cash (outflow)/inflow before management of liquid resources and financing		(559,139)		99,781
Financing				
New long term bank loan	(84,363)		2,187	
Other new short term loans	139,589		61,430	
Repayment of long term bank loan	(139,589)		(61,430)	
Repayment of other short term loans	(52,687)		(34,787)	
Capital element of hire purchase contracts	(73,154)		(49,221)	
Net cash outflow from financing		(210,204)		(81,821)
(Decrease)/increase in cash in the year		(769,343)		17,960

DENHAY FARMS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

1	Reconciliation of operating profit to net cash inflow from operating activities	2013	2012
		£	£
	Operating profit	237,038	297,829
	Depreciation of tangible assets	306,957	264,086
	Amortisation of intangible assets	1,191	2,031
	Profit on disposal of tangible assets	(13,626)	(9,055)
	Increase in stocks	(307,941)	(140,042)
	Increase in debtors	(470,288)	(22,563)
	Increase in creditors within one year	291,726	148,448
	Movement on grant provision	(660)	(660)
	Net cash inflow from operating activities	44,397	540,074

2	Analysis of net debt	1 April 2012	Cash flow	Other non-cash changes	31 March 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,774	(137)	-	1,637
	Bank overdrafts	(207,665)	(769,206)	-	(976,871)
		(205,891)	(769,343)	-	(975,234)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(62,756)	(79,906)	-	(142,662)
	Debts falling due within one year	(52,687)	(86,902)	-	(139,589)
	Debts falling due after one year	(700,963)	223,952	-	(477,011)
		(816,406)	57,144	-	(759,262)
	Net debt	(1,022,297)	(712,199)	-	(1,734,496)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	(Decrease)/increase in cash in the year	(769,343)	17,960
	Cash outflow from decrease in debt and lease financing	57,144	48,366
	Movement in net debt in the year	(712,199)	66,326
	Opening net debt	(1,022,297)	(1,088,623)
	Closing net debt	(1,734,496)	(1,022,297)

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

This represents sales in the ordinary course of the company's trade excluding VAT

1.3 Milk quota

It is the company's policy to write off milk quota over its useful life

No asset is recorded in the financial statements for the value of the company's milk quota acquired at nil value upon original introduction of quotas

1.4 Dairy Herd

The herd is treated as a fixed asset. The mature animals at the balance sheet date are kept at cost, under the rules governing the 'herd basis'

1.5 Tangible fixed assets and depreciation

No depreciation has been provided on the Livestock Herds. The remaining fixed assets have been depreciated on the following basis -

Tenants' improvements and buildings pre 2003	20% on a reducing balance basis
Tenants' improvements and buildings post 2003	Over 15 years on a straight line basis
Plant and machinery	25% on a reducing balance basis
Computer equipment	Over 5 years on a straight line basis
Livestock herd	No depreciation has been provided

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The Company contributes to two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company within independently administered insurance funds. Contributions in respect of these schemes are charged to the Profit and Loss Account in the year in which they are payable to the schemes. The pension charge for the period was £106,417.

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

(continued)

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets.

2 Turnover

Geographical market

	Turnover	
	2013	2012
	£	£
United Kingdom	10,676,709	10,066,987
Outside United Kingdom	11,171	9,792
	<u>10,687,880</u>	<u>10,076,779</u>

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	1,191	2,031
Depreciation of tangible assets	306,957	264,086
Loss on foreign exchange transactions	15	314
Operating lease rentals	60,000	60,000
Auditors' remuneration (including expenses and benefits in kind)	13,260	13,240
and after crediting		
Government grants	660	660
Profit on disposal of tangible assets	(13,626)	(9,055)

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

4	Investment income	2013	2012
		£	£
	Other interest	7,858	5,324
5	Interest payable	2013	2012
		£	£
	On loans and overdrafts	40,628	46,188
	Hire purchase interest	2,687	2,552
	Other interest	8,250	-
		51,565	48,740
6	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	59,879	77,361
	Total current tax	59,879	77,361
	Deferred tax		
	Deferred tax charge/credit current year	(10,400)	4,500
		49,479	81,861
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	193,331	254,413
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 21.30%)	38,666	54,190
	Effects of		
	Non deductible expenses	30	64
	Depreciation add back	58,666	54,322
	Capital allowances	(37,483)	(31,215)
		21,213	23,171
	Current tax charge for the year	59,879	77,361

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

7 Intangible fixed assets

	Milk quota £
Cost	
At 1 April 2012	463,471
Additions	852
	<hr/>
At 31 March 2013	464,323
	<hr/>
Depreciation	
At 1 April 2012	463,132
Charge for the year	1,191
	<hr/>
At 31 March 2013	464,323
	<hr/>
Net book value	
At 31 March 2013	-
	<hr/>
At 31 March 2012	339
	<hr/>

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

8 Tangible fixed assets

	Tenants' improvements and buildings	Plant and machinery	Computer equipment	Livestock herd	Total
	£	£	£	£	£
Cost					
At 1 April 2012	1,733,141	4,990,516	54,269	426,204	7,204,130
Additions	158,247	366,206	4,343	-	528,796
Disposals	-	(106,074)	-	(65)	(106,139)
At 31 March 2013	1,891,388	5,250,648	58,612	426,139	7,626,787
Depreciation					
At 1 April 2012	1,318,606	4,239,229	8,013	-	5,565,848
On disposals	-	(72,585)	-	-	(72,585)
Charge for the year	54,385	237,715	14,857	-	306,957
At 31 March 2013	1,372,991	4,404,359	22,870	-	5,800,220
Net book value					
At 31 March 2013	518,397	846,289	35,742	426,139	1,826,567
At 31 March 2012	414,535	751,287	46,256	426,204	1,638,282

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 March 2013	270,832
At 31 March 2012	121,556
Depreciation charge for the year	
At 31 March 2013	71,376
At 31 March 2012	41,684

The livestock herd for tax purposes is recorded under the herd basis procedure and is thus recorded in the balance sheet at historic cost of the original cows. This is not necessarily representative of the correct cost of the present herd. Current cost is in excess of the figure

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9	Investments	2013 £	2012 £
	Unlisted trade investments at cost	46,039	46,039
	<u>Being</u>		
	i) 3765NMR Ltd ordinary shares		
	ii) 15Mole Valley Farmers Ltd		
	iii) 1Farmhouse Cheesemakers Ltd ordinary shares		
	iv) 22738Milk Link Ltd qualifying loan		
	v) 4271Milk Link Ltd non qualifying loan		
10	Stocks and work in progress	2013 £	2012 £
	Livestock	213,210	214,470
	Dairy and other produce	2,567,589	2,293,619
	Deadstock	392,724	357,493
		3,173,523	2,865,582
11	Debtors	2013 £	2012 £
	Trade debtors	1,457,413	1,225,296
	Other debtors	233,029	66,040
	Prepayments and accrued income	115,701	44,519
		1,806,143	1,335,855

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12	Creditors, amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	1,116,460	260,352
	Net obligations under hire purchase contracts	66,723	45,414
	Trade creditors	762,012	708,919
	Corporation tax	59,879	77,361
	Other taxes and social security costs	43,993	46,113
	Directors' current accounts	341,299	330,000
	Accruals and deferred income	239,460	163,066
		<u>2,629,826</u>	<u>1,631,225</u>

The Barclays Bank overdraft and loans are secured by a mortgage debenture for all monies due to the Bank in the form of a fixed and floating charge over the current and future assets of the Company. Further security is provided by Penitrust Limited, being the trustees of the Hood 1958 Settlement, in the form of a first charge on Land at Meerhay. The Clydesdale Bank Loan Account is secured on land owned by S J Streatfeild. The Chattels Mortgage with Clydesdale Bank is secured specifically on the Processing Machinery at Honiton. Obligations under hire purchase contracts are secured on the asset to which they relate.

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

13 Creditors, amounts falling due after more than one year	2013 £	2012 £
Bank loans	464,511	688,463
Net obligations under hire purchase contracts	75,939	17,342
Preference shares classed as a financial liability	12,500	12,500
	<u>552,950</u>	<u>718,305</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
Bank Loans	-	741,150
Wholly repayable within five years	604,100	-
	<u>604,100</u>	<u>741,150</u>
Included in current liabilities	(139,589)	(52,687)
	<u>464,511</u>	<u>688,463</u>
Instalments not due within five years	-	43,199
	<u>-</u>	<u>43,199</u>
Loan maturity analysis		
In more than one year but not more than two years	145,220	53,565
In more than two years but not more than five years	319,291	591,699
In more than five years	-	43,199
	<u>464,511</u>	<u>688,463</u>
Preference shares classified as financial liabilities		
In more than five years	12,500	12,500
	<u>12,500</u>	<u>12,500</u>
Net obligations under hire purchase contracts		
Repayable within one year	66,723	45,414
Repayable between one and five years	75,939	17,342
	<u>142,662</u>	<u>62,756</u>
Included in liabilities falling due within one year	(66,723)	(45,414)
	<u>75,939</u>	<u>17,342</u>

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2012	42,500
Profit and loss account	(10,400)
	<hr/>
Balance at 31 March 2013	32,100
	<hr/>

The deferred tax liability is made up as follows

	2013 £	2012 £
Accelerated capital allowances	32,100	42,500
	<hr/>	<hr/>

15 Accruals and deferred income

	Government grants £
Balance at 1 April 2012	7,672
Amortisation in the year	(660)
	<hr/>
Balance at 31 March 2013	7,012
	<hr/>

16 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	106,417	95,309
	<hr/>	<hr/>

17 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
245,280 Ordinary Shares of £1 each	245,280	245,280
	<hr/>	<hr/>

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

18 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 April 2012	30,098	25,000	3,187,791
Profit for the year	-	-	143,852
Balance at 31 March 2013	<u>30,098</u>	<u>25,000</u>	<u>3,331,643</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2012 & at 31 March 2013	<u>25,000</u>
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19 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	143,852	172,552
Opening shareholders' funds	<u>3,488,169</u>	<u>3,315,617</u>
Closing shareholders' funds	<u>3,632,021</u>	<u>3,488,169</u>

Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year 31 March 2014

	Land and buildings	
	2013 £	2012 £
Operating leases which expire in over five years	<u>60,000</u>	<u>60,000</u>

21 Capital commitments

The Company has not committed to any major capital expenditure at the 31st March 2013

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

22 Directors' remuneration	2013 £	2012 £
Remuneration for qualifying services	181,873	248,942
Company pension contributions to defined contribution schemes	52,980	53,160
	<u>234,853</u>	<u>302,102</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012 - 4)

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Administration	10	12
Other	77	70
	<u>87</u>	<u>82</u>

Employment costs	2013 £	2012 £
Wages and salaries	1,891,309	1,879,230
Social security costs	149,274	167,220
Other pension costs	106,417	95,309
	<u>2,147,000</u>	<u>2,141,759</u>

24 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

25 Control

The Company is controlled by Penntrust Limited who are the Trustees of the Hood 1958 Settlement

DENHAY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

26 Related party relationships and transactions

Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
The Rt Hon H L A Viscount Hood	-	2,928	2,277	-	-	5,205
S J Streatfeild	-	-	451	-	-	451
		<u>2,928</u>	<u>2,728</u>	<u>-</u>	<u>-</u>	<u>5,656</u>

Other transactions

Rents paid by the Company during the year to Related Parties for Land used by the Company were, G H Streatfeild £23,021, S J Streatfeild £8,390 and Penitrust Limited as trustees of the Hood 1958 Settlement £45,557

G H Streatfeild (director) had a loan balance at 1st April 2012 of £230,000 The balance of this loan at 31st March 2013 was £230,392 Interest is charged on this loan at the same rate as the Bank charge for the Company overdraft

The Penitrust Limited as trustees of the Hood 1958 Settlement had a loan balance at 1st April 2012 of £100,000 The balance of this loan at 31st March 2013 was £101,907 Interest is charged on this loan at the same rate as the Bank charge for the Company overdraft

These loans are unsecured In addition to this S J Streatfeild has provided security for the Clydesdale Bank Loan Account of £270,000