

REGISTERED NUMBER: 01555991 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2015

FOR

VILLAGE BAKERY (COEDPOETH) LIMITED

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FOR THE YEAR ENDED 30TH SEPTEMBER 2015

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VILLAGE BAKERY (COEDPOETH) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

DIRECTORS:

A E Jones
R M Jones
C C Jones

REGISTERED OFFICE:

Ruthin Road
Minera
Wrexham
Wrexham BC
LL11 3RD

REGISTERED NUMBER:

01555991 (England and Wales)

AUDITORS:

M. D. Coxey and Co. Limited
Chartered Accountants
and Statutory Auditors
25 Grosvenor Road
Wrexham
LL11 1BT

BANKERS:

HSBC Bank plc.
17-19 Regent Street
Wrexham
LL11 1RY

STRATEGIC REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

The directors present their strategic report for the year ended 30th September 2015.

REVIEW OF BUSINESS

The business now concentrates on key wholesaling activities. It is now in a position to take advantage of suitable opportunities as they arrive.

The company is tireless in its pursuit of new opportunities to showcase and distribute the range of craft based quality products it is renowned for.

If further aims not only to consolidate its standing as a leading wholesale supplier of great bread, rolls and savouries but to expand its market penetration especially in its Welsh homeland.

It will achieve this by continuing to invest in people, technology, product research and development and distribution.

KEY PERFORMANCE INDICATORS

The Directors consider that the key performance indicators for the company are both financial and non-financial.

The company has in place measures to assess progress against the business strategy and objectives and also its operational performance. Key financial indicators formally considered on a regular basis are turnover, gross profit, overhead levels and cash flow.

Key non-financial measures considered important is the market position of the company, customer satisfaction, product quality and human resource models to achieve our aims and objectives.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors identify and monitor principal risks and uncertainties and also the progress in managing these risks. They feel the major risks facing the business are customer retention, gross margin maintenance and staff retention and training.

ON BEHALF OF THE BOARD:



R M Jones - Director

18th December 2015

VILLAGE BAKERY (COEDPOETH) LIMITED (REGISTERED NUMBER: 01555991)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

The directors present their report with the financial statements of the company for the year ended 30th September 2015.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of baking, wholesaling and retailing of bread, morning goods, savouries and related goods.

DIVIDENDS

The results for the year are shown in the profit and loss account on page 7. Details of dividends proposed during the year are shown in note 8.

FUTURE DEVELOPMENTS

The future developments outlined for the business are the maintenance of the high standard of its products and consideration of new products and markets.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st October 2014 to the date of this report.

The beneficial interests of the directors holding office at 30th September 2015 in the shares of the company, according to the register of directors' interests, were as follows:

	30.9.15	1.10.14
Ordinary shares of £1 each		
A E Jones	100	100
R M Jones	-	-
C C Jones	-	-
10% redeemable preference shares of £1 each		
A E Jones	-	12,837
R M Jones	-	-
C C Jones	-	-

These directors did not hold any non-beneficial interests in any of the shares of the company.

POLITICAL DONATIONS AND EXPENDITURE

Charitable donations for the year amounted to £700 (2014: £10,699). No political donations were made.

GEOGRAPHICAL AREA

No branches of the company exist outside the United Kingdom.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, M. D. Coxey and Co. Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'R M Jones', is written over the text 'ON BEHALF OF THE BOARD:'.

R M Jones - Director

18th December 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VILLAGE BAKERY (COEDPOETH) LIMITED

We have audited the financial statements of Village Bakery (Coedpoeth) Limited for the year ended 30th September 2015 on pages six to twenty. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Strategic Report and the Report of the Directors 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 company's affairs as at 30th September 2015 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Mr Peter McVeigh (Senior Statutory Auditor)
for and on behalf of M. D. Coxey and Co. Limited
Chartered Accountants
and Statutory Auditors
25 Grosvenor Road
Wrexham
LL11 1BT

18th December 2015

VILLAGE BAKERY (COEDPOETH) LIMITED (REGISTERED NUMBER: 01555991)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

	Notes	Year Ended 30.9.15		Period 1.11.13 to 30.9.14	
		£	£	£	£
TURNOVER	2		13,920,851		11,527,253
Continuing operations		13,920,851		11,514,755	
Discontinued operations		-		12,498	
		<u>13,920,851</u>		<u>11,527,253</u>	
Cost of sales	3		9,938,180		7,509,179
GROSS PROFIT	3		3,982,671		4,018,074
Net operating expenses	3		2,711,097		2,165,012
OPERATING PROFIT	5		1,271,574		1,853,062
Continuing operations		1,271,574		1,852,390	
Discontinued operations		-		672	
		<u>1,271,574</u>		<u>1,853,062</u>	
Interest receivable and similar income			99,109		91,202
			1,370,683		1,944,264
Interest payable and similar charges	6		-		6,509
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,370,683		1,937,755
Tax on profit on ordinary activities	7		264,118		395,367
PROFIT FOR THE FINANCIAL YEAR			1,106,565		1,542,388
Retained profit brought forward			8,898,262		7,355,874
			10,004,827		8,898,262
Dividends	8		(3,851)		-
Transfer to reserves			(12,837)		-
RETAINED PROFIT CARRIED FORWARD			<u>9,988,139</u>		<u>8,898,262</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.


The notes form part of these financial statements

VILLAGE BAKERY (COEDPOETH) LIMITED (REGISTERED NUMBER: 01555991)

BALANCE SHEET
30TH SEPTEMBER 2015

	Notes	30.9.15 £	30.9.14 £
FIXED ASSETS			
Intangible assets	9	26,911	-
Tangible assets	10	4,030,997	3,665,459
Investments	11	100	100
		<u>4,058,008</u>	<u>3,665,559</u>
CURRENT ASSETS			
Stocks	12	445,023	220,079
Debtors	13	6,872,833	5,829,827
Cash at bank and in hand		870,524	1,672,722
		<u>8,188,380</u>	<u>7,722,628</u>
CREDITORS			
Amounts falling due within one year	14	1,821,346	2,062,634
NET CURRENT ASSETS		<u>6,367,034</u>	<u>5,659,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,425,042	9,325,553
PROVISIONS FOR LIABILITIES	17	(248,361)	(153,174)
ACCRUALS AND DEFERRED INCOME	18	(57,968)	(143,543)
NET ASSETS		<u>10,118,713</u>	<u>9,028,836</u>
CAPITAL AND RESERVES			
Called up share capital	19	300	13,137
Capital redemption reserve	20	130,274	117,437
Profit and loss account		9,988,139	8,898,262
SHAREHOLDERS' FUNDS	25	<u>10,118,713</u>	<u>9,028,836</u>

The financial statements were approved by the Board of Directors on 18th December 2015 and were signed on its behalf by:


A E Jones - Director


R M Jones - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

	Notes	Year Ended 30.9.15 £	£	Period 1.11.13 to 30.9.14 £	£
Net cash inflow from operating activities	1		330,999		1,465,347
Returns on investments and servicing of finance	2		99,109		84,693
Taxation			(353,560)		(532,417)
Capital expenditure	2		(862,058)		(1,264,292)
Equity dividends paid			(3,851)		-
			(789,361)		(246,669)
Financing	2		(12,837)		-
Decrease in cash in the period			(802,198)		(246,669)
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(802,198)		(246,669)	
Cash outflow from decrease in debt		-		696,455	
Change in net funds resulting from cash flows			(802,198)		449,786
Movement in net funds in the period			(802,198)		449,786
Net funds at 1st October			1,672,722		1,222,936
Net funds at 30th September			870,524		1,672,722

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2015**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Year ended 30th September 2015

	Continuing £	Discontinued £	Total £
Operating profit	1,271,574	-	1,271,574
Depreciation charges	469,798	-	469,798
Profit on disposal of fixed assets	(189)	-	(189)
Increase in stocks	(224,944)	-	(224,944)
Increase in debtors	(946,251)	-	(946,251)
(Decrease)/increase in creditors	(238,989)	-	(238,989)
Net cash inflow from continuing operating activities	330,999		
Net cash inflow from discontinued operating activities		-	
Net cash inflow from operating activities			330,999

Period ended 30th September 2014

	Continuing £	Discontinued £	Total £
Operating profit	1,852,390	672	1,853,062
Depreciation charges	408,906	2,955	411,861
Profit on disposal of fixed assets	(2,000)	(78,312)	(80,312)
Increase in stocks	(46,834)	11,213	(35,621)
Increase in debtors	(1,026,032)	-	(1,026,032)
(Decrease)/increase in creditors	342,389	-	342,389
Net cash inflow from continuing operating activities	1,528,819		
Net cash outflow from discontinued operating activities		(63,472)	
Net cash inflow from operating activities			1,465,347

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Returns on investments and servicing of finance		
Interest received	99,109	91,202
Interest paid	-	(6,509)
Net cash inflow for returns on investments and servicing of finance	99,109	84,693
Capital expenditure		
Purchase of intangible fixed assets	(29,901)	-
Purchase of tangible fixed assets	(841,646)	(1,616,292)
Sale of intangible fixed assets	-	175,000
Sale of tangible fixed assets	9,489	177,000
Net cash outflow for capital expenditure	(862,058)	(1,264,292)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued**

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Financing		
Share issue	(12,837)	-
Net cash outflow from financing	<u>(12,837)</u>	<u>-</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.10.14 £	Cash flow £	At 30.9.15 £
Net cash:			
Cash at bank and in hand	<u>1,672,722</u>	<u>(802,198)</u>	<u>870,524</u>
	<u>1,672,722</u>	<u>(802,198)</u>	<u>870,524</u>
Total	<u><u>1,672,722</u></u>	<u><u>(802,198)</u></u>	<u><u>870,524</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about The Village Bakery (Coedpoeth) Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken the option under section 402 of the Companies Act 2006 not to prepare consolidated financial statements. As the subsidiary undertaking is dormant.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.
Sales are recognised on delivery of the products.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2015, is being amortised over its useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The deferred tax balance has not been discounted.

Pension costs and other post-retirement benefits

The company operates a pension scheme for the benefit of directors. Under the terms of the scheme contributions are administered by trustees in a range of investments. These funds are independent of the company's own assets.

Contributions are made to a group personal pension plan for the benefit of staff managed by an independent insurance company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government grants

Government grants received in respect of capital expenditure are credited to a reserve and amortised over the expected economic life of the assets concerned.

Government grants received in respect of revenue expenditure are credited to the profit and loss account in the period that the related expenditure arises.

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

The turnover for the year has all arisen in the United Kingdom.

3. ANALYSIS OF OPERATIONS

	Continuing £	30.9.15 Discontinued £	Total £
Cost of sales	9,938,180	-	9,938,180
Gross profit	3,982,671	-	3,982,671
Net operating expenses:			
Administrative expenses	2,797,972	-	2,797,972
Other operating income	(86,875)	-	(86,875)
	2,711,097	-	2,711,097

	Continuing £	30.9.14 Discontinued £	Total £
Cost of sales	7,500,617	8,562	7,509,179
Gross profit	4,014,138	3,936	4,018,074
Net operating expenses:			
Administrative expenses	2,244,147	3,264	2,247,411
Other operating income	(82,399)	-	(82,399)
	2,161,748	3,264	2,165,012

4. STAFF COSTS

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Wages and salaries	3,601,674	2,816,279
Social security costs	280,718	214,343
Other pension costs	20,143	14,991
	3,902,535	3,045,613

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

4. **STAFF COSTS - continued**

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

	Year Ended 30.9.15	Period 1.11.13 to 30.9.14
Production Staff	127	123
Administration Staff	18	15
Sales Staff	42	29
	<u>187</u>	<u>167</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Depreciation - owned assets	466,808	411,861
Profit on disposal of fixed assets	(189)	(80,312)
Goodwill amortisation	2,990	-
Auditors remuneration	10,700	10,500
Auditors' remuneration for non audit work	1,416	15,607
Foreign exchange differences	253	-
Operating lease rentals: plant & machinery	2,510	-
Operating lease rentals: other assets	37,992	23,265
Government grants	<u>(85,575)</u>	<u>(78,499)</u>
Directors' remuneration	<u>-</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Bank loan interest	-	5,777
Corporation tax interest	-	732
	<u>-</u>	<u>6,509</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Current tax:		
UK corporation tax	168,931	335,156
Deferred tax	95,187	60,211
Tax on profit on ordinary activities	<u>264,118</u>	<u>395,367</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
Profit on ordinary activities before tax	<u>1,370,683</u>	<u>1,937,755</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.415% (2014 - 21.904%)	279,825	424,446
Effects of:		
Permanent timing differences	(6)	7,485
Deferred tax	(95,187)	(71,900)
Deferred tax rate change	(1,412)	(6,844)
Goodwill sale	-	(18,031)
Research and development tax credit	<u>(14,289)</u>	<u>-</u>
Current tax charge	<u>168,931</u>	<u>335,156</u>

8. DIVIDENDS

	Year Ended 30.9.15 £	Period 1.11.13 to 30.9.14 £
10% redeemable preference shares of £1 each		
Interim	<u>3,851</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

9. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
Additions	29,901
At 30th September 2015	<u>29,901</u>
AMORTISATION	
Amortisation for year	2,990
At 30th September 2015	<u>2,990</u>
NET BOOK VALUE	
At 30th September 2015	<u><u>26,911</u></u>

10. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st October 2014	1,695,486	5,716,053	78,169
Additions	25,615	492,171	-
At 30th September 2015	<u>1,721,101</u>	<u>6,208,224</u>	<u>78,169</u>
DEPRECIATION			
At 1st October 2014	463,412	3,679,807	46,838
Charge for year	32,226	281,063	11,065
Eliminated on disposal	-	-	-
At 30th September 2015	<u>495,638</u>	<u>3,960,870</u>	<u>57,903</u>
NET BOOK VALUE			
At 30th September 2015	<u><u>1,225,463</u></u>	<u><u>2,247,354</u></u>	<u><u>20,266</u></u>
At 30th September 2014	<u><u>1,232,074</u></u>	<u><u>2,036,246</u></u>	<u><u>31,331</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

10. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st October 2014	831,101	-	8,320,809
Additions	207,978	115,882	841,646
Disposals	(121,364)	-	(121,364)
	<hr/>	<hr/>	<hr/>
At 30th September 2015	917,715	115,882	9,041,091
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st October 2014	465,293	-	4,655,350
Charge for year	123,652	18,802	466,808
Eliminated on disposal	(112,064)	-	(112,064)
	<hr/>	<hr/>	<hr/>
At 30th September 2015	476,881	18,802	5,010,094
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30th September 2015	<u>440,834</u>	<u>97,080</u>	<u>4,030,997</u>
At 30th September 2014	<u>365,808</u>	<u>-</u>	<u>3,665,459</u>

11. **FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1st October 2014 and 30th September 2015	<u>100</u>
NET BOOK VALUE	
At 30th September 2015	<u>100</u>
At 30th September 2014	<u>100</u>

The company owns the entire ordinary share capital of Village Puddin's 'n Pies Limited, a company incorporated in England & Wales, registered number 2048981. The company was dormant throughout the year and the capital and reserves at the end of its financial year, 31st October 2014, were £79,761 (2014: £79,761).

12. **STOCKS**

	30.9.15 £	30.9.14 £
Raw materials & consumables	390,349	177,545
Finished goods and goods for resale	54,674	42,534
	<hr/>	<hr/>
	<u>445,023</u>	<u>220,079</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

13. DEBTORS

	30.9.15	30.9.14
	£	£
Amounts falling due within one year:		
Trade debtors	1,450,337	1,523,873
Due from related parties	2,708,538	520,059
VAT	162,096	323,896
Tax	96,755	-
Prepayments	272,262	286,723
	<u>4,689,988</u>	<u>2,654,551</u>
Amounts falling due after more than one year:		
Due from related parties	<u>2,182,845</u>	<u>3,175,276</u>
Aggregate amounts	<u>6,872,833</u>	<u>5,829,827</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.15	30.9.14
	£	£
Trade creditors	620,632	958,115
Amounts owed to group undertakings	79,761	79,761
Tax	-	87,874
Social security and other taxes	73,432	63,664
Other creditors	4,461	-
Due to related parties	733,944	515,043
Accruals and deferred income	309,116	358,177
	<u>1,821,346</u>	<u>2,062,634</u>

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases 30.9.15	30.9.14
	£	£
Expiring:		
Within one year	6,558	-
Between one and five years	9,817	41,455
	<u>16,375</u>	<u>41,455</u>

16. SECURED DEBTS

The company has granted a fixed and floating charge over its assets in favour of HSBC Bank plc.

17. PROVISIONS FOR LIABILITIES

	30.9.15	30.9.14
	£	£
Deferred tax		
Excess tax allowances over depreciation of tangible fixed assets	<u>248,361</u>	<u>153,174</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st October 2014	153,174
Unprovided in prior years	
Movement in the year due to:	
- changes in tax rates	
- changes in tax allowances	95,187
Balance at 30th September 2015	<u>248,361</u>

18. ACCRUALS AND DEFERRED INCOME

	30.9.15	30.9.14
	£	£
Deferred government grants	<u>57,968</u>	<u>143,543</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.15	30.9.14
			£	£
300	Ordinary	£1	300	300
NIL	10% redeemable preference	£1	-	12,837
(30.9.14 - 12,837)				
			<u>300</u>	<u>13,137</u>

The non-voting preference shares are redeemable at par at the company's option.

20. RESERVES

	Capital redemption reserve £
At 1st October 2014	117,437
Transfer to reserves	12,837
At 30th September 2015	<u>130,274</u>

21. PENSION COMMITMENTS

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charges represent contributions payable by the company and amounted to £20,143 (2014: £14,991). Contributions totalling £4,053 (2014: £4,577) were payable at the year end and are included in Creditors: amounts falling due within one year.

22. CONTINGENT LIABILITIES

The government grant may have to be repaid if certain conditions are not maintained for 5 years from the grant being received. The possibility of this is considered remote.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

23. RELATED PARTY DISCLOSURES

The directors of The Village Bakery (Coedpoeth) Limited are also directors and shareholders of The Village Bakery (Wrexham) Limited and The Village Bakery (Nutrition) Limited.

During the year ended 30th September 2015 various transactions took place with related parties as follows:

Village Bakery (Nutrition) Limited:-

	30.9.15	30.9.14
	£	£
Sales	287,408	471,220
Purchases	2,134	2,728
Staff costs recharged	51,370	54,696
Other recharges	2,578	17,245
Other purchases	6,138	7,190

Village Bakery (Wrexham) Limited:-

	30.9.15	30.9.14
	£	£
Sales	-	9,438
Purchases	62,161	30,417
Staff costs recharged	12,658	19,375
Other recharges	41,072	127,143
Other purchases	395,864	-
Recharge of manufacturing facilities	1,343,122	452,242
Loan interest	91,884	84,227

As at 30th September 2015 the balances due to and from related parties were:

	Included in Debtors		Included in Creditors	
	30.9.15	30.9.14	30.9.15	30.9.14
	£	£	£	£
Village Bakery (Wrexham) Limited	4,785,918	3,204,520	457,398	355,192
Village Bakery (Nutrition) Limited	74,881	85,198	341	3,645
Village Bakery (Holdings) Limited	30,584	405,617	120,000	
Village Puddin's 'n Pies Limited	-	-	79,761	79,761
Endeavour Investments Limited	-	-	156,206	156,206

Village Bakery (Wrexham) Limited paid interest on their loan during the year in the sum of £91,884 (2014:£91,884).

An unlimited Multilateral Guarantee in favour of HSBC dated 15th February 2011 was given by The Village Bakery (Wrexham) Limited, The Village Bakery (Coedpoeth) Limited and The Village Bakery (Nutrition) Limited.

During the year ended 30th September 2015 the company paid a management fee in the sum of £1,000,000 (2014: £550,000) and recharged staff costs of £39,197 (2014: £5,618) to Village Bakery (Holdings) Limited. The directors of The Village Bakery (Coedpoeth) Limited are also directors and shareholders of Village Bakery (Holdings) Limited.

During the year ended 30 September 2015 Village Bakery (Coedpoeth) Limited paid £2,063 (2014: £2,063) to Mr A E Jones, a director and shareholder of the company, for the use of storage facilities. No amounts were outstanding at the end of the financial year (2014: £Nil).

24. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Endeavor Investments Limited. There have been no transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

25. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.15	30.9.14
	£	£
Profit for the financial year	1,106,565	1,542,388
Dividends	(3,851)	-
	<hr/>	<hr/>
	1,102,714	1,542,388
Transfer to reserves	(12,837)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,089,877	1,542,388
Opening shareholders' funds	9,028,836	7,486,448
	<hr/>	<hr/>
Closing shareholders' funds	<u>10,118,713</u>	<u>9,028,836</u>