

DOVES FARM FOODS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2016



DOVES FARM FOODS LIMITED

COMPANY INFORMATION

Directors	M J Marriage C E Marriage
Company secretary	C E Marriage
Registered number	02301391
Registered office	Salisbury Road Hungerford Berkshire RG17 0RF
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Mill House Overbridge Square Hambridge Lane Newbury RG14 5UX

DOVES FARM FOODS LIMITED

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DOVES FARM FOODS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

Introduction

Doves Farm Foods is an independent, family run, food manufacturing company focusing on the processing of speciality grain and cereal products with a high level of product integrity, that are sold both as ingredients and consumer foods.

A high level of importance is placed on food chain provenance to deliver raw materials that meet specific standards and accreditations. Doves Farm Foods hold BRC AA*, Sedex, Soil Association Organic, Coeliac, Fairtrade and Kosher certification.

Financial security is based upon product profitability to generate surplus cash profits for financing machinery acquisition, structural alterations and additions.

Business review

The sourcing and supply chain of suitable speciality grain raw materials is fundamental to the business activity, together with specific processing knowledge and equipment. All manufacturing activities and associated processes are physically allocated to one of the companies two production pillars; Organic or Free From. This involves separate and dedicated production areas, machinery, staffing, documentation and procedures for each pillar.

Within the Organic pillar a range of milling techniques are used at Doves Farm for the processing of grain into a wide variety of flour products. These products are complimented by a range of contract manufactured grain based foods including biscuits, cereal and pasta, some of which are also gluten free.

The Free From pillar offers a separate and distinctive range of food products which are suitable for those who wish to eat gluten free foods or be free of other allergens. Free From flours are produced and packed in a dedicated purpose built facility on specialist equipment in milling equipment. Free From Cookies and Flapjacks are produced in a dedicated allergen free bakery.

Both Organic and Free From pillars produce consumer foods and raw material ingredients, which are sold under the Doves Farm Brand Nationwide with a small quantity produced for retail customer private label. The company also has a small export trade and a retail web-shop outlet.

The company is currently in the process of a major investment programme constructing additional production facilities to enable increased production from 2017.

Principal risks and uncertainties

There is general over capacity in the UK within the wheat milling industry creating downward pressure on flour pricing.

Some specialist grains may not be available in sufficient quantity to meet annual requirements leading to shortfall of certain products on shelf for periods of time.

There is a constant risk of allergen challenges to raw material ingredient integrity both upstream and downstream.

Fluctuating raw material pricing, exchange rates and uncertainty surrounding Brexit pose a threat to product supply and profitability.

Many retailers are choosing to sell own label versions of popular Doves Farm Free From products, thereby causing pressure on margin and reducing shelf presence for the Doves Farm brand.

DOVES FARM FOODS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016**

Financial key performance indicators

Where possible the company plans business expansion from its own generated funds rather than by borrowing.

Internal management KPI's include revenue and volume sales growth, gross and net profit targets and debtor days.

Other key performance indicators

In addition the company monitors KPI's in production, technical, environmental, engineering, HR and Health and Safety matters.

This report was approved by the board on

16/3/17

and signed on its behalf.

C E Marriage
Director

A large, stylized handwritten signature in black ink, appearing to read 'Marriage', is written over the printed name and title.

DOVES FARM FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the abbreviated 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 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 for the Company'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 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,325,484 (2015 - £1,981,084).

Dividends of £540,000 (2015: £480,00) were paid during the year.

Directors

The directors who served during the year were:

M J Marriage
C E Marriage

Future developments

The company has undertaken a major investment programme constructing additional plant and facilities to enable increased production from 2017 onwards.

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Post balance sheet events

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

DOVES FARM FOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016**

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16/3/17 and signed on its behalf.

C E Marriage
Director

A handwritten signature in black ink, appearing to read 'Marriage', with a stylized flourish at the end.

DOVES FARM FOODS LIMITED

INDEPENDENT AUDITOR'S REPORT TO DOVES FARM FOODS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated financial statements set out on pages 6 to 22, together with the financial statements of Doves Farm Foods Limited for the year ended 30 June 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated financial statements accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

Opinion

In our opinion the Company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements on pages 7 to 22 have been properly prepared in accordance with the regulations made under that section.



Robert Holland BSc FCA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Date: **23/3/17**

DOVES FARM FOODS LIMITED

**ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

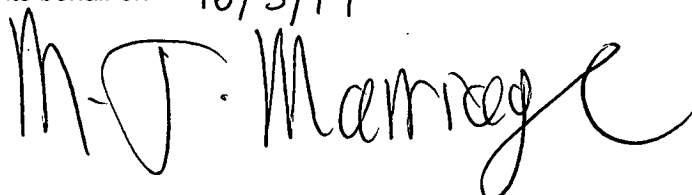
	Note	2016 £	2015 £
Turnover		17,278,263	16,124,376
Cost of sales		(12,008,088)	(11,610,461)
Gross profit		<u>5,270,175</u>	<u>4,513,915</u>
Distribution costs		(1,021,095)	(948,447)
Administrative expenses		(1,382,136)	(1,073,060)
Operating profit	4	<u>2,866,944</u>	<u>2,492,408</u>
Interest receivable and similar income	8	<u>16,618</u>	<u>16,602</u>
Profit before tax		<u>2,883,562</u>	<u>2,509,010</u>
Tax on profit	9	(558,078)	(527,926)
Profit for the year		<u>2,325,484</u>	<u>1,981,084</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u><u>2,325,484</u></u>	<u><u>1,981,084</u></u>

DOVES FARM FOODS LIMITED
REGISTERED NUMBER: 02301391

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	6,523,879	4,384,378
		<u>6,523,879</u>	<u>4,384,378</u>
Current assets			
Stocks	12	1,524,665	1,391,572
Debtors: amounts falling due within one year	13	3,400,194	3,016,876
Cash at bank and in hand	14	4,445,213	4,991,109
		<u>9,370,072</u>	<u>9,399,557</u>
Creditors: amounts falling due within one year	15	(2,065,968)	(1,793,446)
Net current assets		<u>7,304,104</u>	<u>7,606,111</u>
Total assets less current liabilities		<u>13,827,983</u>	<u>11,990,489</u>
Provisions for liabilities			
Deferred tax	17	(336,952)	(284,942)
		<u>(336,952)</u>	<u>(284,942)</u>
Net assets		<u><u>13,491,031</u></u>	<u><u>11,705,547</u></u>
Capital and reserves			
Called up share capital	18	20,000	20,000
Profit and loss account	19	13,471,031	11,685,547
		<u><u>13,491,031</u></u>	<u><u>11,705,547</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 16/3/17



M J Marriage
Director

The notes on pages 11 to 22 form part of these financial statements.

DOVES FARM FOODS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	20,000	11,685,547	11,705,547
Comprehensive income for the year			
Profit for the year	-	2,325,484	2,325,484
Total comprehensive income for the year	-	2,325,484	2,325,484
Dividends: Equity capital	-	(540,000)	(540,000)
Total transactions with owners	-	(540,000)	(540,000)
At 30 June 2016	20,000	13,471,031	13,491,031

DOVES FARM FOODS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	20,000	10,184,463	10,204,463
Comprehensive income for the year			
Profit for the year	-	1,981,084	1,981,084
Total comprehensive income for the year	-	1,981,084	1,981,084
Dividends: Equity capital	-	(480,000)	(480,000)
Total transactions with owners	-	(480,000)	(480,000)
At 30 June 2015	20,000	11,685,547	11,705,547

The notes on pages 11 to 22 form part of these financial statements.

DOVES FARM FOODS LIMITED

**ABBREVIATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	2,325,484	1,981,084
Adjustments for:		
Depreciation of tangible assets	475,709	501,192
Loss on disposal of tangible assets	5,750	(10,832)
Interest received	(16,618)	-
Taxation	558,078	(392,916)
(Increase)/decrease in stocks	(133,093)	7,932
(Increase) in debtors	(383,318)	(32,874)
Increase in creditors	314,649	281,931
Corporation tax	(548,195)	527,925
Net cash generated from operating activities	<u>2,598,446</u>	<u>2,863,442</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,615,208)	(1,132,069)
Sale of tangible fixed assets	(5,749)	20,000
Interest received	16,615	-
Net cash from investing activities	<u>(2,604,342)</u>	<u>(1,112,069)</u>
Cash flows from financing activities		
Dividends paid	(540,000)	(480,000)
Net cash used in financing activities	<u>(540,000)</u>	<u>(480,000)</u>
Cash and cash equivalents at beginning of year	4,991,109	3,719,736
Cash and cash equivalents at the end of year	<u><u>4,445,213</u></u>	<u><u>4,991,109</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>4,445,213</u>	<u>4,991,109</u>
	<u><u>4,445,213</u></u>	<u><u>4,991,109</u></u>

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. General information

Doves Farm Food Limited is a company limited by share capital and incorporated in England and Wales. The address of the registered office is Salisbury Road, Hungerford, Berkshire, RG17 0RF. The nature of the operations and principle activities are described in the business review.

2. Accounting policies

2.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

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

Sale of goods

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

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

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the Company 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.

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance or straight line basis.

Depreciation is provided on the following basis:

Long term leasehold property	-	4% straight line
Plant & machinery	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	20% straight line

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 Statement of comprehensive income.

2.4 Research and development costs

Research expenditure and development expenditure is written off to the profit and loss account.

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

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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 Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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.

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

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

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

2.9 Creditors

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

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.11 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.

2.12 Operating leases: the Company as lessee

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

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Tangible fixed assets (see note 12)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	90,000	92,000
Depreciation of tangible fixed assets	475,706	501,192
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,680	12,265
Exchange differences	31,493	(138,077)
Other operating lease rentals	116,239	140,959
Defined contribution pension cost	53,026	10,116
	<u> </u>	<u> </u>

5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	10,600	10,400
	<u> </u>	<u> </u>
	10,600	10,400
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	12,180	1,865
All other services	800	-
	<u> </u>	<u> </u>
	12,980	1,865
	<u> </u>	<u> </u>

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

6. Employees

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

	2016 £	2015 £
Wages and salaries	1,968,972	1,699,266
Social security costs	181,943	166,070
Cost of defined contribution scheme	40,000	-
	<u>2,190,915</u>	<u>1,865,336</u>

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

	2016 No.	2015 No.
Office and management	25	24
Production and sales	51	47
	<u>76</u>	<u>71</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	75,399	75,337
Company contributions to defined contribution pension schemes	40,000	-
	<u>115,399</u>	<u>75,337</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

8. Interest receivable

	2016 £	2015 £
Other interest receivable	16,618	16,602
	<u>16,618</u>	<u>16,602</u>

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	506,068	454,076
	<u>506,068</u>	<u>454,076</u>
Total current tax	<u>506,068</u>	<u>454,076</u>
Deferred tax		
Origination and reversal of timing differences	52,010	73,850
	<u>52,010</u>	<u>73,850</u>
Total deferred tax	<u>52,010</u>	<u>73,850</u>
Taxation on profit on ordinary activities	<u>558,078</u>	<u>527,926</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>2,883,562</u>	<u>2,509,010</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	576,712	520,620
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,725	433
Capital allowances for year in excess of depreciation	-	(2,771)
Adjustments to tax charge in respect of prior periods	-	(3,935)
Fixed asset timing differences	16,081	13,579
Other timing differences leading to an increase (decrease) in taxation	(37,440)	-
Total tax charge for the year	<u>558,078</u>	<u>527,926</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DOVES FARM FOODS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. Dividends

	2016 £	2015 £
Dividends paid on equity capital	540,000	480,000
	<u>540,000</u>	<u>480,000</u>

11. Tangible fixed assets

	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2015	1,812,310	5,620,224	95,400	287,513	7,815,447
Additions	914,076	1,690,478	-	10,654	2,615,208
Disposals	(55,500)	(1,065)	-	(6,713)	(63,278)
At 30 June 2016	<u>2,670,886</u>	<u>7,309,637</u>	<u>95,400</u>	<u>291,454</u>	<u>10,367,377</u>
Depreciation					
At 1 July 2015	476,351	2,733,382	27,619	193,717	3,431,069
Charge for the period on owned assets	79,563	337,446	16,945	41,752	475,706
Disposals	(55,500)	(1,065)	-	(6,712)	(63,277)
At 30 June 2016	<u>500,414</u>	<u>3,069,763</u>	<u>44,564</u>	<u>228,757</u>	<u>3,843,498</u>
Net book value					
At 30 June 2016	<u>2,170,472</u>	<u>4,239,874</u>	<u>50,836</u>	<u>62,697</u>	<u>6,523,879</u>
At 30 June 2015	<u>1,335,959</u>	<u>2,886,842</u>	<u>67,781</u>	<u>93,796</u>	<u>4,384,378</u>

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

	2016 £	2015 £
Long leasehold	2,170,472	1,335,959
	<u>2,170,472</u>	<u>1,335,959</u>

DOVES FARM FOODS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

12. Stocks

	2016 £	2015 £
Raw materials and consumables	905,301	586,244
Finished goods and goods for resale	619,364	805,328
	<u>1,524,665</u>	<u>1,391,572</u>

13. Debtors

	2016 £	2015 £
Trade debtors	2,732,832	2,440,231
Other debtors	407,861	246,500
Prepayments and accrued income	259,501	330,145
	<u>3,400,194</u>	<u>3,016,876</u>

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	4,445,213	4,991,109
	<u>4,445,213</u>	<u>4,991,109</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,334,623	982,417
Corporation tax	200,782	242,909
Taxation and social security	48,414	44,175
Other creditors	450,454	475,858
Accruals and deferred income	31,695	48,087
	<u>2,065,968</u>	<u>1,793,446</u>

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	4,445,213	4,991,109
Financial assets that are debt instruments measured at amortised cost	3,140,693	2,686,731
	<u>7,585,906</u>	<u>7,677,840</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,416,222)	(1,106,362)
	<u>(1,416,222)</u>	<u>(1,106,362)</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

17. Deferred taxation

	2016 £
At beginning of year	(284,942)
Charged to profit or loss	(52,010)
At end of year	<u><u>(336,952)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(336,952)
	<u><u>(336,952)</u></u>

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
7,600 (2015 - 10,000) Ordinary A shares of £1 each	7,600	10,000
7,600 (2015 - 10,000) Ordinary B shares of £1 each	7,600	10,000

DOVES FARM FOODS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18. Share capital (continued)

1,600 Ordinary C shares of £1 each	1,600	-
1,600 Ordinary D shares of £1 each	1,600	-
1,600 Ordinary E shares of £1 each	1,600	-
	<u>20,000</u>	<u>20,000</u>

19. Reserves

Profit & loss account

The profit and loss account represents the cumulative profit available for distribution to share holders.

20. Pension commitments

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £53,026 (2015: £10,116). No contributions were outstanding at 30 June 2016.

21. Commitments under operating leases

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	55,000	55,000
	<u>55,000</u>	<u>55,000</u>

22. First time adoption of FRS 102

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