

REGISTERED NUMBER 03761294 (England and Wales)

**Report of the Directors and
Audited Financial Statements
for the year ended 31st December 2011
for
DELAMERE DAIRY LIMITED**

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DELAMERE DAIRY LIMITED (REGISTERED NUMBER: 03761294)

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for the year ended 31st December 2011**

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DELAMERE DAIRY LIMITED
Company Information
for the year ended 31st December 2011

DIRECTORS

Mrs E A Sutton
R C D Sutton
E J Salt
P D J Brunt

SECRETARY

Mrs E A Sutton

REGISTERED OFFICE

Yew Tree Farm
Bexton Lane
Knutsford
Cheshire
WA16 9BH

REGISTERED NUMBER

03761294 (England and Wales)

AUDITORS:

BDO LLP
Birmingham
United Kingdom

**Report of the Directors
for the year ended 31st December 2011**

The directors present their report with the financial statements of the company for the year ended 31st December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of dairy product traders, specialising in goats' milk, cows' milk and soya products

REVIEW OF BUSINESS

2011 was the third full year of trading since the company was acquired by Delamere Dairy Holdings Limited as part of a financial restructuring

Turnover was maintained in 2011. We continue to supply all the major food retailers with our ranges of dairy products. We are the second largest goats' milk supplier in the UK with about 38% of the market and we are the largest UK supplier of sterilised milk in plastic bottles. Our unique pet products have continued their strong growth in a market dominated by big brands. We launched a chilled soya drink range in October strengthening our position as a leading solution provider in the speciality dairy sector.

Key risks to the business involve € / £ exchange rate, milk price and other cost pressures. FX exposure is managed both by implementing a minimum 3 month Euro forward contracts policy allowing leeway to purchase forward on £ highs and a focus on increasing sales to EU markets. Long-term milk price increases have to be reflected in the market. Other cost pressures are managed by a continuous drive for efficiency.

At the financial year end we employed 17 people. Turnover per person was £0.896m. Investment in staff has been a key policy in 2011 to facilitate a focus on growing sales including export. To this end the sales and marketing team was strengthened in 2011 with 3 additional appointments, a Sales and Marketing Director, a marketing support executive and a Sales representative based in the Delamere Dairy Hong Kong office that opened in 2011.

We look forward to 2012 with confidence.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2011 to the date of this report.

Mrs E A Sutton
R C D Sutton
E J Salt

Other changes in directors holding office are as follows:

P D J Brunt - appointed 1st December 2011

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.

DELAMERE DAIRY LIMITED (REGISTERED NUMBER: 03761294)

**Report of the Directors
for the year ended 31st December 2011**

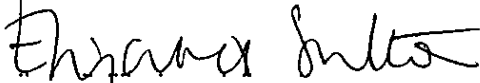
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



Mrs E A Sutton - Secretary

Date 28/8/12

**Report of the Independent Auditors to the Members of
Delamere Dairy Limited**

We have audited the financial statements of Delamere Dairy Limited for the year ended 31st December 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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 two, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31st December 2011 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 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.

BDO LLP

Stephen Ward (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date

3 September 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registration number OC305127).

DELAMERE DAIRY LIMITED (REGISTERED NUMBER: 03761294)

**Profit and Loss Account
for the year ended 31st December 2011**

| | Notes | 31 12 11 £ | 31 12 10 £ |
|--|-------|-----------------------|-----------------------|
| TURNOVER | 2 | 15,235,962 | 15,185,389 |
| Cost of sales | | <u>13,219,423</u> | <u>13,214,940</u> |
| GROSS PROFIT | | 2,016,539 | 1,970,449 |
| Administrative expenses | | <u>1,317,573</u> | <u>1,190,740</u> |
| | | 698,966 | 779,709 |
| Other operating income | | <u>-</u> | <u>36</u> |
| OPERATING PROFIT | 4 | 698,966 | 779,745 |
| Interest receivable and similar income | | <u>18</u> | <u>4</u> |
| | | 698,984 | 779,749 |
| Interest payable and similar charges | 5 | <u>79,508</u> | <u>146,474</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 619,476 | 633,275 |
| Tax on profit on ordinary activities | 6 | <u>145,708</u> | <u>163,297</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u><u>473,768</u></u> | <u><u>469,978</u></u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes on pages 7 to 13 form part of these financial statements

DELAMERE DAIRY LIMITED (REGISTERED NUMBER. 03761294)

**Balance Sheet
31st December 2011**

| | Notes | 31 12 11 £ | £ | 31 12 10 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | 21,435 | | 12,800 |
| Tangible assets | 8 | | <u>60,278</u> | | <u>45,703</u> |
| | | | 81,713 | | 58,503 |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 759,527 | | 711,659 | |
| Debtors | 10 | 4,468,066 | | 4,456,773 | |
| Cash at bank and in hand | | <u>108,587</u> | | <u>177,011</u> | |
| | | 5,336,180 | | 5,345,443 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>2,535,693</u> | | <u>2,621,854</u> | |
| NET CURRENT ASSETS | | | <u>2,800,487</u> | | <u>2,723,589</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,882,200 | | 2,782,092 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | (342,131) | | (716,227) |
| PROVISIONS FOR LIABILITIES | 16 | | <u>(5,492)</u> | | <u>(5,056)</u> |
| NET ASSETS | | | <u>2,534,577</u> | | <u>2,060,809</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | 400 | | 400 |
| Share premium | 18 | | 49,950 | | 49,950 |
| Profit and loss account | 18 | | <u>2,484,227</u> | | <u>2,010,459</u> |
| SHAREHOLDERS' FUNDS | 23 | | <u>2,534,577</u> | | <u>2,060,809</u> |

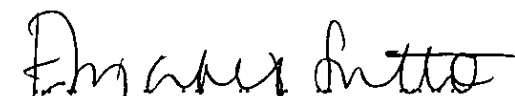
The financial statements were approved by the Board of Directors on its behalf by

28/8/12

and were signed on



R C D Sutton - Director



Mrs E A Sutton - Director



E J Salt - Director

The notes on pages 7 to 13 form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st December 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Invoices are raised and turnover recognised on the day that goods are delivered

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of ten years

Patents and licenses

This intangible asset is being written off on a straight line basis over ten years

Tangible fixed assets

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

| | |
|--------------------------|---------------------------|
| Improvements to property | - 10% on cost |
| Plant and machinery | - 15% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

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 charge has not been discounted

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their useful economic lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

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

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the association capital instrument

DELAMERE DAIRY LIMITED (REGISTERED NUMBER 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

1 ACCOUNTING POLICIES - continued

Related party disclosures

The company is a wholly owned subsidiary of Delamere Dairy Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its parent company

Financial instruments

Financial instruments are measured initially and subsequently at cost

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

| | 31 12 11 | 31 12 10 |
|--------------|-------------------|-------------------|
| | £ | £ |
| UK Sales | 10,786,620 | 14,972,100 |
| E U Sales | 3,138,427 | 213,289 |
| Non EU Sales | <u>1,310,915</u> | <u>-</u> |
| | <u>15,235,962</u> | <u>15,185,389</u> |

3 STAFF COSTS

| | 31 12 11 | 31 12 10 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 538,107 | 433,413 |
| Social security costs | <u>54,372</u> | <u>45,017</u> |
| | <u>592,479</u> | <u>478,430</u> |

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

| 31 12 11 | 31 12 10 |
|----------|----------|
| 15 | 14 |

4 OPERATING PROFIT

The operating profit is stated after charging

| | 31 12 11 | 31 12 10 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Other operating leases | 16,925 | 8,178 |
| Depreciation - owned assets | 14,922 | 11,874 |
| Loss on disposal of fixed assets | 579 | - |
| Goodwill amortisation | 2,700 | 2,700 |
| Patents and licences amortisation | 1,815 | 500 |
| Auditors' remuneration | <u>9,742</u> | <u>10,593</u> |
| | <u>156,905</u> | <u>161,649</u> |

Directors' remuneration

DELAMERE DAIRY LIMITED (REGISTERED NUMBER: 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 31 12 11 | 31 12 10 |
|---------------|---------------|----------------|
| | £ | £ |
| Bank interest | 30,795 | 29,360 |
| Loan | <u>48,713</u> | <u>117,114</u> |
| | <u>79,508</u> | <u>146,474</u> |

6 TAXATION

Analysis of the tax charge

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

| | 31 12 11 | 31 12 10 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 145,272 | 163,875 |
| Deferred tax | <u>436</u> | <u>(578)</u> |
| Tax on profit on ordinary activities | <u>145,708</u> | <u>163,297</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

| | 31 12 11 | 31 12 10 |
|--|-----------------|-----------------|
| | £ | £ |
| Profit on ordinary activities before tax | <u>619,476</u> | <u>633,275</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 - 28%) | 164,161 | 177,317 |
| Effects of | | |
| Depreciation | 3,954 | 3,325 |
| Losses on disposal of assets | 153 | - |
| Capital and balancing allowances | (13,838) | (2,203) |
| Entertainment | 1,287 | 503 |
| Marginal relief | <u>(10,445)</u> | <u>(15,067)</u> |
| Current tax charge | <u>145,272</u> | <u>163,875</u> |

DELAMERE DAIRY LIMITED (REGISTERED NUMBER. 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

7 INTANGIBLE FIXED ASSETS

| | Goodwill £ | Patents and licences £ | Totals £ |
|-----------------------|---------------|---------------------------------|---------------|
| COST | | | |
| At 1st January 2011 | 27,001 | 5,000 | 32,001 |
| Additions | - | 13,150 | 13,150 |
| At 31st December 2011 | <u>27,001</u> | <u>18,150</u> | <u>45,151</u> |
| AMORTISATION | | | |
| At 1st January 2011 | 16,201 | 3,000 | 19,201 |
| Amortisation for year | <u>2,700</u> | <u>1,815</u> | <u>4,515</u> |
| At 31st December 2011 | <u>18,901</u> | <u>4,815</u> | <u>23,716</u> |
| NET BOOK VALUE | | | |
| At 31st December 2011 | <u>8,100</u> | <u>13,335</u> | <u>21,435</u> |
| At 31st December 2010 | <u>10,800</u> | <u>2,000</u> | <u>12,800</u> |

8 TANGIBLE FIXED ASSETS

| | Improvements to property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|-------------------------------------|-----------------------------|----------------------------------|------------------------|----------------|
| COST | | | | | |
| At 1st January 2011 | 19,442 | 42,322 | 64,523 | 26,004 | 152,291 |
| Additions | 21,884 | - | 11,342 | - | 33,226 |
| Disposals | - | - | - | (26,004) | (26,004) |
| At 31st December 2011 | <u>41,326</u> | <u>42,322</u> | <u>75,865</u> | <u>-</u> | <u>159,513</u> |
| DEPRECIATION | | | | | |
| At 1st January 2011 | 9,176 | 30,315 | 46,458 | 20,639 | 106,588 |
| Charge for year | 4,133 | 1,801 | 7,352 | 1,636 | 14,922 |
| Eliminated on disposal | - | - | - | (22,275) | (22,275) |
| At 31st December 2011 | <u>13,309</u> | <u>32,116</u> | <u>53,810</u> | <u>-</u> | <u>99,235</u> |
| NET BOOK VALUE | | | | | |
| At 31st December 2011 | <u>28,017</u> | <u>10,206</u> | <u>22,055</u> | <u>-</u> | <u>60,278</u> |
| At 31st December 2010 | <u>10,266</u> | <u>12,007</u> | <u>18,065</u> | <u>5,365</u> | <u>45,703</u> |

9 STOCKS

| | 31 12 11 £ | 31 12 10 £ |
|--------|----------------|----------------|
| Stocks | <u>759,527</u> | <u>711,659</u> |

DELAMERE DAIRY LIMITED (REGISTERED NUMBER: 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 12 11 | 31 12 10 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,970,203 | 1,979,066 |
| Amounts owed by group undertakings | 2,417,318 | 2,417,318 |
| Other debtors | 3,437 | 2,326 |
| VAT | 50,036 | 47,933 |
| Prepayments | 27,072 | 10,130 |
| | <u>4,468,066</u> | <u>4,456,773</u> |

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 12 11 | 31 12 10 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 13) | 337,933 | 318,228 |
| Trade creditors | 1,220,279 | 1,215,187 |
| Tax | 145,272 | 163,875 |
| Social security and other taxes | 30,740 | 19,773 |
| Factoring creditor | 547,239 | 857,368 |
| Directors' current accounts | 1,535 | 4,835 |
| Accrued expenses | 252,695 | 42,588 |
| | <u>2,535,693</u> | <u>2,621,854</u> |

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31 12 11 | 31 12 10 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Bank loans (see note 13) | <u>342,131</u> | <u>716,227</u> |

13 LOANS

An analysis of the maturity of loans is given below

| | 31 12 11 | 31 12 10 |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | - | 261 |
| Bank loans | <u>337,933</u> | <u>317,967</u> |
| | <u>337,933</u> | <u>318,228</u> |
| Amounts falling due between one and two years | | |
| Bank loans | <u>342,131</u> | <u>342,598</u> |
| Amounts falling due between two and five years | | |
| Bank loans | <u>-</u> | <u>373,629</u> |

The bank loan is repaid by monthly instalments and is due to expire on the 16th October 2013

Included within the bank loans are issue costs of £14,446 (£107,310 issue costs on original loan less accumulated amortisation of £92,864) These costs are being amortised over the life of the loan facility in accordance with FRS 4 'Capital Instruments'

DELAMERE DAIRY LIMITED (REGISTERED NUMBER 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

14 OPERATING LEASE COMMITMENTS

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

| | Land and buildings | | Other operating leases | |
|--|-----------------------|---------------|------------------------------|---------------|
| | 31 12 11 £ | 31 12 10 £ | 31 12 11 £ | 31 12 10 £ |
| Expiring Between one and five years | <u>20,000</u> | <u>20,000</u> | <u>18,987</u> | <u>9,304</u> |

15 SECURED DEBTS

The following secured debts are included within creditors

| | 31 12 11 £ | 31 12 10 £ |
|--------------------|------------------|------------------|
| Bank overdraft | - | 261 |
| Bank loans | 680,064 | 1,034,194 |
| Factoring creditor | <u>547,239</u> | <u>857,368</u> |
| | <u>1,227,303</u> | <u>1,891,823</u> |

A debenture dated 17th October 2008 incorporating a fixed and floating charge over all current and future assets of the company is held by both the bank and the factor company

16 PROVISIONS FOR LIABILITIES

| | 31 12 11 £ | 31 12 10 £ |
|--|---------------|----------------------|
| Deferred tax Accelerated capital allowances | <u>5,492</u> | <u>5,056</u> |
| | | Deferred tax £ |
| Balance at 1st January 2011 | | 5,056 |
| Accelerated capital allowances | | <u>436</u> |
| Balance at 31st December 2011 | | <u>5,492</u> |

17 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid Number | Class | Nominal value £1 | 31 12 11 £ | 31 12 10 £ |
|---|----------|------------------------|---------------|---------------|
| 400 | Ordinary | | <u>400</u> | <u>400</u> |

DELAMERE DAIRY LIMITED (REGISTERED NUMBER 03761294)

**Notes to the Financial Statements - continued
for the year ended 31st December 2011**

18 RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|-----------------------|------------------------------------|-----------------------|------------------|
| At 1st January 2011 | 2,010,459 | 49,950 | 2,060,409 |
| Profit for the year | <u>473,768</u> | | <u>473,768</u> |
| At 31st December 2011 | <u>2,484,227</u> | <u>49,950</u> | <u>2,534,177</u> |

19 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Delamere Dairy Holdings Limited, its parent undertaking and a company registered in England and Wales

20 OTHER FINANCIAL COMMITMENTS

At the year end Delamere Dairy Limited were committed to £2,148,831 (2010 - £1,346,178) of foreign exchange future contracts

21 RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Delamere Dairy Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its parent company

Mr & Mrs Sutton are partners of Sutton Dairy Goats. During the year recharges of £1,320 (2010 - £1,320) were charged by Delamere Dairy Limited to Sutton Dairy Goats. At the year end the balance between the two businesses was £Nil (2010 - £Nil)

During the year there were transactions on directors' current accounts with E J Salt, Mrs E A Sutton and R C D Sutton. The balance at the period end was a £1,535 creditor (2010 £4,835). During the year interest of £Nil (2010 - £12,751), was credited to the directors' loan account. No interest was debited to any directors' loan account during the year.

22 ULTIMATE CONTROLLING PARTY

The company is controlled by its directors with no one director having overall control

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 31 12 11 £ | 31 12 10 £ |
|--|-------------------------|-------------------------|
| Profit for the financial year | <u>473,768</u> | <u>469,978</u> |
| Net addition to shareholders' funds | 473,768 | 469,978 |
| Opening shareholders' funds | <u>2,060,809</u> | <u>1,590,831</u> |
| Closing shareholders' funds | <u>2,534,577</u> | <u>2,060,809</u> |