

Cornish Orchards Ltd

Directors' report and financial statements

Registered number 04871687

52 weeks ended

26 March 2016



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Directors' report

Results and Dividends

The directors present their report and financial statements for the year ended 26 March 2016. The profit for the 52 weeks ended 26 March 2016 was £77,518 (52 weeks ended 28 March 2015: £75,333). No dividends were paid during the current period (2015: £nil).

Strategic Report

In the year ending 26 March 2016 the company was entitled to the exemption from preparation of a Strategic Report under section 414B of the Companies Act 2008 relating to small companies.

Principal Activities and Review of Business Developments

Since 4 June 2013 the principal activity of the Company has been the provision of services to its parent undertaking, Fuller, Smith & Turner P L C ("Fuller's"), in the manufacturing of cider and soft drink beverages. Prior to this the principal activity of the Company was the manufacture of cider and soft drink beverages.

The results are set out in the profit and loss account. The directors are satisfied with the progress of the business and expect this activity to continue.

The performance of the Company for the year ended 26 March 2016 was dependent on the service contract in place with Fuller, Smith & Turner P L C. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Fuller's Group, which includes this company, is discussed in the Group's Annual Report, which can be obtained from the address in note 15.

Principal Risks and Uncertainties

Working capital requirements are met principally out of retained profits and financing provided by the ultimate Parent Company. The Company does not enter into any hedging arrangements.

Directors

The directors who held office were as follows:

Andrew Atkinson
Simon Emeny
James Douglas
Richard Fuller
Jonathon Swaine
Simon Dodd (appointed 1 August 2016)
Michael Turner (resigned 22 March 2016)
Ian Bray (resigned 31 May 2016)

Corporate Governance

The Company is not required to comply with the UK Combined Code on Corporate Governance, however the accounts of the Parent Company, Fuller, Smith & Turner P L C, include a corporate governance report in line with the principles of the UK Combined Code on Corporate Governance.

The Board maintains overall control over appropriate financial, strategic, budgetary, and organisational issues.

Directors' report (*continued*)

Indemnity Provision

The Company's Articles of Association provide the Directors with indemnities in relation to their duties as Directors, including qualifying third party indemnity provisions (within the meaning of the Companies Acts) All of the Executive Directors' contracts contain a clause which states "the Executive shall be indemnified out of the assets of the Company against any liability incurred by him as a Director or other officer of the Company in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court from liability for negligence, default, breach of duty or breach of trust he may be guilty of in relation to the affairs of the Company"

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

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

In preparing those financial statements, the directors are required to

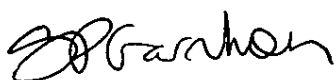
- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper 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

Going Concern Statement

At the balance sheet date the Company is in a net asset position of £720,204 and hence has sufficient resources to continue in operation On the basis of current financial projections and having considered the facilities available to the Fuller's Group, the Directors, some of whom are also directors of Fuller, Smith & Turner P L C , are confident that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements

By order of the board



Séverine Garnham
Secretary
14 December 2016

Cornish Orchards Ltd
Griffin Brewery
Chiswick Lane South
London
W4 2QB
Registered number 04871687

Income Statement
for the 52 weeks ended 26 March 2016

	<i>Note</i>	52 weeks ended 26 March 2016	52 weeks ended 28 March 2015
		£	£
Turnover		966,968	831,707
Cost of sales		<u>(938,803)</u>	<u>(807,483)</u>
Gross profit		28,165	24,224
Other income		<u>68,733</u>	<u>78,246</u>
Operating profit	2	96,898	102,470
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		96,898	102,470
Taxation	4	<u>(19,380)</u>	<u>(27,137)</u>
Profit for the financial year		77,518	75,333

There are no other items of comprehensive income in the current or prior period other than those disclosed above

All activities are continuing

Balance sheet
at 26 March 2016

	<i>Note</i>	26 March 2016 £	28 March 2015 £
Fixed assets			
Intangible fixed assets	6	-	-
Tangible fixed assets	7	1,991,826	2,029,410
Deferred tax asset	11	35,452	33,739
		<u>2,027,278</u>	<u>2,063,149</u>
Current assets			
Debtors	8	966,968	831,706
Cash at bank and in hand		51,590	60,345
		<u>1,018,558</u>	<u>892,051</u>
Current liabilities	9	(1,872,337)	(1,792,235)
Net current liabilities		<u>(853,779)</u>	<u>(900,184)</u>
Total assets less current liabilities		<u>1,173,499</u>	<u>1,162,965</u>
Non-current liabilities	10	(453,295)	(520,279)
Net assets		<u>720,204</u>	<u>642,686</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	720,202	642,684
Total shareholder's funds		<u>720,204</u>	<u>642,686</u>

For the period ending 26 March 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts

These financial statements were approved for issue by the board of directors on 14 December 2016 and were signed on its behalf by



James Douglas
Director

Notes

(Forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – "Reduced Disclosure Framework" (FRS101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except in the case of any revaluation of property and financial instruments. The financial statements are prepared in Sterling (£).

Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 April 2014. The application of FRS101 has not resulted in any changes to the figures presented or significant changes in disclosure. In applying FRS 101 for the first time the Company has applied early the amendment to FRS 101 which permits a first time adopter not to present an opening statement of financial position at the beginning of the earliest comparative period presented.

Going concern

On the basis of current financial projections and having considered the facilities available to the Fuller's Group, the Directors, who are all also directors of Fuller, Smith & Turner P L C, are confident that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- 1 A statement of cash flows and related notes
- 2 Capital management disclosures
- 3 The requirements of IAS24 related party disclosures to disclose related party transactions entered into between two or more members of the group if they are wholly owned within the group
- 4 Disclosure of key management personnel compensation

Revenue

Turnover comprises amounts arising from the provision of bar and restaurant facilities. It is measured at the fair value of consideration received or receivable, net of discounts and VAT.

Tangible assets

Property, plant and equipment (PPE) is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. All PPE is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of PPE. The following useful lives are applied:

Improvements to property	8 – 20 years
Plant and machinery	5 – 20 years
Fixtures and fittings	4 years
Computer equipment	3 years

Notes (continued)

Material residual value estimates and estimates of useful life are updated as required, and at least annually

Gains or losses arising on the disposal of PPE are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses

Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses

Financial instruments

Intercompany balances

Amounts due to group companies are initially recognised at cost as this is equivalent to fair value

If there were any difference between cost and fair value on initial recognition, the amounts would be recorded at fair value, being the present value of future interest and capital payments discounted at the market rate of interest for a similar financial liability

Financial assets

Trade and other receivables

Trade receivables do not carry any interest and are recognised at their original invoiced amounts, less an allowance for any amounts that are not considered to be collectible. At the point a trade receivable is written off the ledger as uncollectible, the cost is charged against the allowance account and any subsequent recoveries of amounts previously written off are credited to the Income Statement

Cash and short term deposits

Cash and short term deposits comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

Financial liabilities

Trade and other payables

Trade and other payables do not bear interest and are carried at original cost

Bank loans, overdrafts and debentures

Interest-bearing bank loans and overdrafts are initially recorded at the fair value of proceeds received, net of direct issue costs, and thereafter at amortised cost. Finance charges are accounted for on an effective interest rate basis in the Income Statement. Finance charges are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

Operating Leases

Where the Company is a lessee, payments made under an operating lease agreement are recognised as an expense on a straight-line basis over the lease term

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred

Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity

Notes (continued)

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. Calculation of deferred tax

is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income.

Profit from operations

Profit from operations comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

Grants and contributions

Grants receivable in respect of tangible fixed assets are treated as deferred income, which is credited to the profit and loss account over the estimated economic lives of the related assets.

2 Profit on ordinary activities before taxation

The profit on operating activities before taxation is stated after

	52 weeks ended 26 March 2016 £	52 weeks ended 28 March 2015 £
Depreciation of tangible assets	239,052	209,991
Grant income	(66,984)	(67,117)
Profit on disposal of fixed assets	(1,750)	(11,129)
	<u> </u>	<u> </u>

3 Directors and Employees

	Number	Number
Average monthly number of employees (including part time employees)	<u>31</u>	<u>30</u>

Directors' Emoluments

Andrew Atkinson received £40,342 (period ended 28 March 2015 £40,342) as remuneration in the year, representing salary and health insurance. The remaining directors are paid by the Parent Company, Fuller, Smith & Turner P L C for their services to Fuller, Smith & Turner P L C, and did not receive any remuneration for services to Cornish Orchards Limited in the current or prior year.

Notes (continued)

5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents

	52 weeks ended 26 March 2016 £	52 weeks ended 28 March 2015 £
Tax on profits		
Current tax		
UK corporation tax	21,094	18 925
Deferred tax		
Origination and reversal of timing differences	(1,714)	8 212
Tax charge on profit on ordinary activities	19,380	27 137

Factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year is 20% (2015 26%) which is higher than the rate of corporation tax in the UK. The differences are reconciled below

	52 weeks ended 26 March 2016 £	52 weeks ended 28 March 2015 £
Profit on ordinary activities before tax	96,898	102 470
Tax at UK corporation tax rate of 20% (2015 20%)	19,380	20,494
Tax relating to prior periods	-	6,643
	19,380	27 137

6 Dividends

	52 weeks ended 26 March 2016 £	52 weeks ended 28 March 2015 £
Ordinary shares of £1 each		
Interim	-	-

7 Intangible fixed assets

	£
Cost	
At 28 March 2015 and 26 March 2016	30,000
Amortisation	
At 28 March 2015 and 26 March 2016	(30 000)
Book value	
At 28 March 2015 and 26 March 2016	-

Notes (continued)

8 Tangible fixed assets

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 28 March 2015	789,379	2,177,940	98,674	3,065,993
Additions	154,740	46,727	-	201,467
At 26 March 2016	944,119	2,224,667	98,674	3,267,460
Accumulated depreciation				
At 28 March 2015	234,964	743,624	57,994	1,036,582
Charge for the year	69,390	165,194	4,468	239,052
At 26 March 2016	304,354	908,818	62,462	1,275,634
Book value				
At 28 March 2015	554,415	1,434,316	40,680	2,029,411
At 26 March 2016	639,765	1,315,849	36,212	1,991,826

9 Debtors

Due within one year

	2016 £	2015 £
Amounts owing from parent undertaking	<u>966,968</u>	<u>831,706</u>

10 Current liabilities

Amounts falling due within one year

	2016 £	2015 £
Taxation	(21,094)	(18,925)
Accruals and deferred income	(66,983)	(66,984)
Other loans	(5,381)	(1,110)
Amounts owing to parent undertaking	<u>(1,778,879)</u>	<u>(1,705,216)</u>
	<u>(1,872,337)</u>	<u>(1,792,235)</u>

11 Non-current liabilities

Amounts falling due after more than one year

	2016 £	2015 £
Other loans	(150,000)	(150,000)
Accruals and deferred income	<u>(303,295)</u>	<u>(370,279)</u>
	<u>(453,295)</u>	<u>(520,279)</u>

Notes (continued)

12 Deferred tax

Deferred tax is provided for at 20% (2015 20%) in the financial statements and consists of the following

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	33,739	41 951
Deferred tax arising from fixed asset temporary differences	1,706	(8 212)
Tax losses carried forward	-	-
	<u>35,445</u>	<u>33,739</u>

A net deferred tax asset has been recognised in the current year representing excess depreciation charged over capital allowances claimed

13 Operating lease Commitments

The Company's future minimum operating lease payments are due as follows

	2016 £	2015 £
Due within one year	14,335	23 564
Due between one and five years	34,200	37 785
Due after more than five years	102,382	113 172
	<u>150,917</u>	<u>174 520</u>
Total	<u>150,917</u>	<u>174 520</u>

The Company's operating leases relate to the buildings from which the Company operates its trading site, and fork lift trucks

Notes (continued)

14 Called up share capital

	2016 £	2015 £
<i>Authorised</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15 Reserves

	Share capital £	Profit and loss account £	Total £
At 28 March 2015	2	642,684	642,686
Profit for the period	-	77 518	77 518
	<u>2</u>	<u>720,202</u>	<u>720,204</u>
At 26 March 2016	<u>2</u>	<u>720,202</u>	<u>720,204</u>

16 Ultimate parent undertaking

The Company is a wholly-owned subsidiary of Fuller, Smith & Turner P L C , also registered in England and Wales whose financial statements are available from Griffin Brewery, Chiswick Lane South, Chiswick, London W4 2QB The largest and smallest group preparing consolidated group accounts under International Financial Reporting Standards (IFRS) for the 52 weeks ended 26 March 2016 which include the Company is Fuller, Smith & Turner P L C

17 Transition to FRS101

The Company has adopted FRS 101 for the first time having previously applied UK GAAP that was effective before periods commencing on or after 1 January 2015 The date of transition to FRS 101 was 1 January 2014 The Company has restated its comparatives for the 52 weeks ended 28 March 2015 as detailed below, along with explanations of the differences in treatment

Restated Company statement of financial position

	28 March 2015 As restated £	28 March 2015 As previously reported £
Shareholders' funds under previous UK GAAP	642,686	642,686
Effect of changes to (see below)		
-		
Sub-total – conversion adjustments	<u>-</u>	<u>-</u>
Restated shareholders' funds	<u>642,686</u>	<u>642,686</u>

There were no differences identified in the treatment of items within the Company's financial statements between previously applied UK GAAP and FRS101