Tyrrells Group Holdings Limited

Directors' report and consolidated financial statements

Registered number 6527628

For the period ended 1 April 2011

Contents

Directors' report

The directors present their annual report and the audited financial statements for the period ended 1 April 2011

Principal activities

The parent company s principal activity is that of a holding company The company s sole subsidiary is Tyrrells Group Limited which owns the trading company Tyrrells Potato Crisps Limited The trading company is engaged in the manufacture of potato and vegetable crisps and other snacks There have been no changes in the trading company s activities in the period under review

Business review and future developments

Turnover net of discounts and promotional costs is up on last period by 31% due mainly to increased distribution in the company s larger retail customers continued expansion in international markets and the successful launch of new products such as Furrows and Proper Popcorn Further details of turnover by geographical segment are given in note 2 to the financial statements

Group operating profit before exceptionals was £2 5 million *(2010 £1 6 million)* The operating profit for the period reflects increased promotional spend attached to wider supermarket distribution The company has managed to offset upward pressure from commodity prices with efficiencies gained from running increased volumes through the factory facility Increased overhead spend is due to investment in personnel in the period to support the growth of the business

The directors do not recommend the payment of a dividend *(2010 £Nil)*

Principal risks and uncertainties

The company continues to increase its market share by concentrating on its unique selling point of making the highest quality crisps from locally sourced potatoes on its farm in Herefordshire The company also seeks competitive advantage by remaining innovative and at the fore front of food trends regularly launching new flavours plus other alternative snacks ridged crisps and popcorn

The risk of the company to increasing commodity prices is minimised by using dual suppliers and regularly renegotiating agreements with its key suppliers The company continues to research more cost effective and environmental methods of supply

Financial instruments

The company s credit risk is primarily attributable to its trade debtors Credit risk is managed by running credit checks on new customers and by the regular monitoring of accounts against agreed credit terms and limits The company also has credit insurance in place over all of its trade debtors except for those considered to be low risk

The company monitors cash flow as part of its day to day control procedures The management team considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary

The company considers its exchange risk to be minimal with foreign currency sales accounting for less than 5% of its total turnover Exchange rates are monitored regularly and any significant change in foreign currency would be adjusted for by the renegotiation of prices

With particular reference to the parent company the directors consider the only risk to be in respect of the recoverability of its investment in its subsidiaries The directors monitor this closely and are confident that its investments are recoverable

Directors' report *(continued)*

Directors

The directors of the company during the period were

WL Chase (resigned 30 November 2010)
S Gardner
O Wyncoll
SD Esom (appointed 18 June 2010)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

BDO LLP resigned as auditors on 22 February 2011 and KPMG LLP were appointed to fill the casual vacancy

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the board

O Wyncoll
Director

Tyrrells Court
Stretford Bridge
Leominster
Hereford
HR6 9DQ

8 December 2011

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 they have elected to prepare the group and the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and the parent company and of their profit or loss for that period

In preparing each of the group and parent company financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Tyrrells Group Holdings Limited

We have audited the financial statements of Tyrrells Group Holdings Limited for the period ended 1 April 2011 set out on pages 6 to 24 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements and express an opinion, 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 web-site 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 group s and the parent company s affairs as at 1 April 2011 and of the group's loss for the period then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

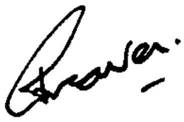
In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of Tyrrells Group Holdings Limited
(continued)

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 parent company 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



IG Greaves (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

12 December 2011

Consolidated profit and loss account
for the period ended 1 April 2011

	Note	2011 Operations before exceptional costs	2011 Exceptional items (see note 6)	2011 Total	2010
		£000	£000	£000	£000
Turnover	2	22,159	-	22,159	16 885
Cost of sales		(12,007)	-	(12 007)	(8 297)
Gross profit		10,152	-	10,152	8 588
Administrative expenses		(7,625)	(629)	(8,254)	(7 052)
		2,527	(629)	1,898	1 536
Other operating income		-	-	-	47
Group operating profit		2,527	(629)	1,898	1 583
Other interest receivable and similar income	4	24	-	24	-
Interest payable and similar charges	5	(6,185)	(851)	(7,036)	(5 228)
Loss on ordinary activities before taxation	3	(3,634)	(1,480)	(5,114)	(3 645)
Taxation on loss on ordinary activities	9	(841)	366	(475)	(256)
Loss on ordinary activities after taxation and for the financial period	21	(4,475)	(1,114)	(5,589)	(3 901)

All amounts relate to continuing activities

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical equivalents

There are no gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

Consolidated balance sheet
at 1 April 2011

	Note	2011 £000	£000	2010 £000	£000
Fixed assets					
Intangible assets	*11*		30,417		32 107
Tangible assets	*12*		3,577		3 437
			33,994		35 544
Current assets					
Stocks	*14*	951		547	
Debtors	*15*	6,088		4 005	
Cash at bank and in hand		3,388		968	
		10 427		5 520	
Creditors Amounts falling due within one year	*16*	(6,980)		(4 252)	
Net current assets			3,447		1 268
Total assets less current liabilities			37,441		36 812
Creditors Amounts falling due after more than one year	*17*		(46,891)		(42 860)
Provisions for liabilities	*19*		(266)		(235)
Net liabilities			(9,716)		(6 283)
Capital and reserves					
Called up share capital	*20*		20		20
Share premium account	*21*		2,356		200
Profit and loss account	*21*		(12,092)		(6 503)
Shareholders' deficit	*22*		(9,716)		(6 283)

These financial statements were approved by the board of directors on 8 December 2011 and were signed on its behalf by

O Wyncoll
Director

Registered number 6527628

Company balance sheet
at 1 April 2011

	Note	2011 £000	£000	2010 £000	£000
Fixed assets					
Fixed asset investments	*13*		**38,660**		38 660
Current assets					
Debtors	*15*	**927**		1 086	
Cash at bank and in hand		**38**		68	
		965		1 154	
Creditors Amounts falling due within one year	*16*	**(1,806)**		(1 010)	
Net current (liabilities)/assets			**(841)**		144
Total assets less current liabilities			**37,819**		38 804
Creditors Amounts falling due after more than one year	*17*		**(53,212)**		(49 150)
Net liabilities			**(15,393)**		(10 346)
Capital and reserves					
Called up share capital	*20*		**20**		20
Share premium account	*21*		**2,356**		200
Profit and loss account	*21*		**(17,769)**		(10 566)
Shareholders' deficit	*22*		**(15,393)**		(10 346)

These financial statements were approved by the board of directors on 8 December 2011 and were signed on its behalf by

O Wyncoll
Director

Registered number 6527628

Consolidated cash flow statement
for the period ended 1 April 2011

	Note	2011 £000	2011 £000	2010 £000	2010 £000
Net cash (outflow)/inflow from operating activities	25		**3,554**		3 425
Returns on investments and servicing of finance					
Interest received		**24**		-	
Interest paid		**(3,436)**		(894)	
Hire purchase interest paid		**(9)**		(11)	
Net cash outflow from returns on investments and servicing of finance			**(3,421)**		(905)
Taxation					
Corporation tax (refunded)/paid			**88**		(5)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		**(679)**		(591)	
Receipts from sale of tangible fixed assets		**3**		14	
Net cash outflow from capital expenditure and financial investment			**(676)**		(577)
Cash (outflow)/inflow before use of financing			**(455)**		1 938
Financing					
Repayment of bank loans		**(4,425)**		(1 950)	
New other loans		**11,000**		-	
Repayment of other loans		**(3,349)**		-	
Issue costs incurred		**(293)**		-	
Capital element of finance lease repaid		**(58)**		(68)	
Net cash inflow/(outflow) from financing			**2,875**		(2 018)
Increase/(decrease) in cash			**2,420**		(80)

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 company s financial statements

Basis of preparation

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 1 April 2011 The acquisition method of accounting has been adopted Under this method the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Going concern

The financial statements have been prepared on the going concern basis notwithstanding the consolidated loss before taxation of £5 114 000 and period end net liabilities position of £15 393 000 on the company only balance sheet

The group s business activities together with the factors likely to affect its future development performance and position are set out in the business review in the director s report

The group is funded by long term loans totalling £7 2 million, to which a number of covenants are attached to the facility Capital is repaid bi-annually on Facility A finance and upon termination on Facility B finance and interest is paid on rollover which may be for any period dependent on management instruction The group is also funded by other loan notes totalling £30 8 million which are repayable in 6-7 years (see note 18) The group is currently generating sufficient cash flow from its operating activities to satisfy the requirements of these interest and capital repayments as well as providing for its day to day working capital requirements No breaches in financial covenants were noted during the current period

The group s forecasts and projections taking account of reasonably possible changes in trading performance show that the group should be able to operate within the terms of its current facility

After making enquiries the directors have a reasonable expectation that the group has adequate resources to continue to operate for the foreseeable future The board of directors of the parent company s subsidiary undertaking has confirmed their intention to provide financial support, if required, to enable the group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

The directors also note that the net current liabilities on the balance sheet contain accrued interest on the loan notes to the value of £10 8 million which is not payable until termination of the loan agreement

Based on the above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired Positive goodwill is capitalised and amortised through the profit and loss account over the directors estimate of its useful economic life of 20 years

Impairment tests on the carrying value of goodwill are undertaken

- at the end of the first full financial year following acquisition
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Notes *(continued)*

1 Accounting policies *(continued)*

Turnover

Turnover represents sales to external customers at invoiced amounts net of discounts and promotional costs less value added tax or local taxes on sales

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation Such costs include costs directly attributable to making the asset capable of operating as intended

Depreciation is provided to write off the cost less estimated residual values of all tangible fixed assets except for investment properties and freehold land evenly over their expected useful lives It is calculated at the following rates

Leasehold property	-	10% on written down value
Plant and machinery	-	15% on written down value
Motor vehicles	-	25% on written down value
Fixtures and fittings	-	15% on written down value

Investments

Investments held as fixed assets are stated at cost less any provision for impairment

Stocks

Stocks are valued at the lower of cost and net realisable value Cost is based on the cost of purchase on a first in first out basis Net realisable value is based on estimated selling price less additional costs to completion and disposal

Consignment stock

Consignment stock is held on the balance sheet when the terms of agreement indicate that the principal risks and rewards of ownership rest with the company

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date Any differences are taken to the profit and loss account

Research and development

Expenditure on research and development is charged to the profit and loss account in the financial period in which it is incurred

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19

Finance and operating leases

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future lease obligations shown in creditors

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Notes *(continued)*

2 Turnover

	2011	2010
	£000	£000
Analysis by geographical market		
United Kingdom	18,870	14 617
Europe	2,706	1 492
Rest of the world	583	776
	22,159	16 885

Turnover is wholly attributable to the principal activity of the company

3 Loss on ordinary activities before taxation

	2011	2010
	£000	£000
Loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Owned assets	518	478
Leased assets	18	36
Amortisation of goodwill	1,690	1 690
Operating leases		
Hire of plant and machinery	7	16
Hire of other assets	120	143
Auditors' remuneration		
Audit of these financial statements		
Payable to KPMG LLP	3	-
Payable to BDO LLP	-	2
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation		
Payable to KPMG LLP	15	-
Payable to BDO LLP	-	13
Other services relating to taxation		
Payable to KPMG LLP	6	-
Payable to BDO LLP	-	98

4 Other interest receivable and similar income

	2011	2010
	£000	£000
Bank deposits	4	-
Exchange gains	20	-
	24	-

Notes *(continued)*

5 Interest payable and similar charges

	2011 £000	2010 £000
Bank interest payable	**25**	21
Interest payable		
On bank loans	**418**	854
On hire purchase and finance leases	**9**	11
On loan stock	**5,589**	4 183
Exchange losses	**-**	19
Amortisation of FRS 4 loan deal costs	**144**	140
Release of FRS 4 loan deal costs (see note 6)	**419**	-
Hedge cancellation fees (see note 6)	**432**	-
	7,036	5 228

6 Exceptional items

	Administrative expenses £000	2011 Interest payable and similar charges £000	Total £000
Employee costs	179	-	179
Costs relating to reorganisation	450	-	450
Release of FRS 4 loan deal costs	-	419	419
Hedge cancellation fees	-	432	432
	629	**851**	**1,480**

Exceptional costs have been incurred in relation to reorganisation and refinancing of the group management and finance structure The tax impact of these items is £366 000

7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period was as follows

	Number of employees 2011	2010
Production	**62**	58
Warehouse and distribution	**14**	12
Sales and marketing	**19**	20
Office and administration	**11**	12
	106	102

Notes *(continued)*

7 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Wages and salaries	**3,243**	2,816
Social security costs	**230**	194
	3,473	3,010

8 Remuneration of directors

	2011 £000	2010 £000
Directors' emoluments	**52**	50

9 Tax on loss on ordinary activities

Analysis of charge for the period

	2011 £000	£000	2010 £000	£000
UK corporation tax				
Current tax on profits for the period	**405**		282	
Adjustment in respect of previous periods	**39**		-	
Total current tax		**444**		282
Deferred tax (see note 19)				
Origination and reversal of timing differences	**17**		10	
Adjustment in respect of previous periods	**34**		(36)	
Effect of law changes in tax rate	**(20)**		-	
Movement in deferred tax provision		**31**		(26)
Tax on loss on ordinary activities		**475**		256

Notes *(continued)*

9 Tax on loss on ordinary activities *(continued)*

Factors affecting the tax charge for the period

The current tax charge for the year is higher *(2010: higher)* than the standard rate of corporation tax in the UK of 28% *(2010: 28%)*. The differences are explained below:

	2011	2010
	£000	£000
Current tax reconciliation		
Loss on ordinary activities before tax	**(5,114)**	(3,644)
Current tax at 28% *(2010: 28%)*	**(1,432)**	(1,020)
Effects of:		
Expenses not deductible for tax purposes	**1,835**	956
Capital allowances for period in excess of depreciation	**(17)**	(28)
Unrelieved tax losses arising in the year	**-**	357
IBA's for period in excess of depreciation	**19**	-
Other short term timing differences	**-**	17
Adjustments in respect of previous years	**39**	-
Total current tax charge (see above)	**444**	282

Factors that may affect future charges

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively.

This will reduce the group's future current tax charge accordingly and further reduce the deferred tax liability at 1 April 2011 (which has been calculated based on the rate of 26% substantively enacted at the balance sheet date) by £10,000.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

10 Profit for the financial period

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £7,203,000 *(2010: £5,243,000)* which is dealt with in the financial statements of the parent company.

Notes *(continued)*

11 Intangible fixed assets

Group

	Goodwill on consolidation £000
Cost or valuation	
At beginning and end of period	33 797
Amortisation	
At beginning of period	1 690
Charge in the period	1 690
At end of period	3 380
Net book value	
At 1 April 2011	**30,417**
At 31 March 2010	32 107

12 Tangible fixed assets

Group

	Leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At beginning of period	1 236	3 700	374	191	5 501
Additions	260	118	2	299	679
Disposals	-	-	(20)	-	(20)
At end of period	1 496	3 818	356	490	6 160
Depreciation					
At beginning of period	335	1 424	227	78	2 064
Provided for the period	99	355	38	44	536
Disposals	-	-	(17)	-	(17)
At end of period	434	1 779	248	122	2 583
Net book value					
At 1 April 2011	**1,062**	**2,039**	**108**	**368**	**3,577**
At 31 March 2010	901	2 276	147	113	3 437

The net book value of tangible fixed assets includes an amount of £95 000 *(2010 £156 000)* in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £18 000 *(2010 £36 000)*.

Notes *(continued)*

13 Fixed asset investments

Company

	Group undertakings £000
Cost or valuation	
At beginning and end of period	38 660

The company owns 100% of the issued share capital of Tyrrells Group Limited an intermediary holding company which in turn owns 100% of the issued share capital of Tyrells Potato Crisps Limited a company producing hand cooked potato crisps Both companies are registered in England and Wales

14 Stocks

	Group 2011 £000	Group 2010 £000
Raw materials and consumables	**655**	536
Finished goods and goods for resale	**296**	11
	951	547

The company has no stock *(2010 £Nil)*

15 Debtors

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Trade debtors	**5,423**	3 438	**-**	-
Amounts owed by group undertakings	**-**	-	**705**	901
Other debtors and prepayments	**665**	567	**222**	185
	6,088	4 005	**927**	1 086

All amounts shown under debtors fall due for payment within one year

Notes *(continued)*

16 Creditors Amounts falling due within one year

	Group		Company	
	2011	2010	**2011**	2010
	£000	£000	**£000**	£000
Bank loans (secured – see note 18)	**1,315**	1 010	**1,315**	1 010
Trade creditors	**3,030**	1 765	-	-
Amounts owed to related undertakings	-	313	-	-
Corporation tax	**727**	195	-	-
Other taxation and social security	**930**	259	**491**	-
Obligations under finance lease and hire purchase Contracts (secured – see note 17)	**32**	58	-	-
Accruals and deferred income	**946**	652	-	-
	6,980	4 252	**1,806**	1 010

17 Creditors. Amounts falling due after more than one year

	Group		Company	
	2011	2010	**2011**	2010
	£000	£000	**£000**	£000
Bank loans (secured – see note 18)	**5,670**	10 130	**5,670**	10 130
Other loans (unsecured)	**30,365**	24 870	**30,365**	24 870
Amounts owed to group undertakings	-	-	**6,345**	6 346
Obligations under finance lease and hire purchase Contracts (secured)	**24**	56	-	-
Other creditors (see note 18)	**10,832**	7 804	**10,832**	7 804
	46,891	42 860	**53,212**	49 150

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate

Notes *(continued)*

18 Borrowings

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank and other loans				
Due within one year	**1,315**	1 010	**1,315**	1 010
Due within one and two years	**815**	1 250	**815**	1 250
Due within two and five years	**860**	5 532	**860**	5 532
Due after more than five years	**34,360**	28 218	**34,360**	28 218
	37 350	36 010	**37,350**	36 010
Finance lease and hire purchase contracts				
Due within one year	**32**	58	-	-
Due within one and two years	**24**	32	-	-
Due within two to five years	-	24	-	-
	56	114	-	-
Total borrowings	**37,406**	36 124	**37,350**	36 010

The above table sets out the debt maturity profile as at the period end Directly attributable fee and other finance costs in respect of bank and other loans of £215 000 and £410 000 respectively *(2009 £485 000 and £410 000 respectively)* have been deducted to arrive at the outstanding borrowings

Bank loans: £7,200,000 ***(2010 £11,625,000)***

Bank loans are secured over a fixed and floating charge over all of the assets of the company and its subsidiaries

On 28 May 2010 as part of a refinance of the total debt of Tyrrells Group Holdings Limited Facility A (originally £8 million) was partially repaid down to £4 million Facility B remained at £4 million and a Mezzanine Facility (originally £2 million) was fully repaid

At the year-end Facility A totals £3 200 000 and is repayable in variable repayments bi-annually on 30 September and 31 March with the final repayment due on 31 May 2013

At the year-end Facility B totals £4 000 000 and is repayable at the end of the term of the loan being 31 May 2014

The interest rate applicable to the bank loans is LIBOR plus a margin of between 2 5% and 3 5%

Other loans £30,775,000 ***(2010· £25,280,000)***

Held within other loans are the following loan notes

Equity loan notes of £16 775,000 *(2010 £22 280 000)* (Primary Vendor Loan Notes`) due to be repaid at the end of the term of the agreement being 31 May 2018 These loan notes carry an interest rate of 15% which is accrued and added to the loan Interest is due to be repaid at the end of the term of the agreement

A subordinated loan of £3 million *(2010 £3 000 000)* due to be repaid at the end of the term of the agreement being 31 March 2018, which carries an interest rate of 10% the interest being accrued and added to the loan and repayable at the end of the term of the agreement

The repayment of the bank finance on 28 May 2010 was achieved through the issue of a further £2 815,000 in equity loan notes (2010 Loan Notes`) and the drawdown in full on a new mezzanine facility of £2,185,000 The 2010 loan notes are due to be repaid at the end of the term of the agreement being 31 March 2018 These Loan Notes carry an interest rate of 20% payable over the term of the agreement The new mezzanine finance is due to be repaid at the end of the term of the loan, being 10 April 2017 The interest rate applied to this loan is also 20% payable over the term of the loan

Notes *(continued)*

18 Borrowings *(continued)*

On 30 November 2010 £6 million of loan notes (First Priority Loan Notes) were issued in order to finance the purchase of equity loan notes plus accrued interest thereon and ordinary B shares held by William Chase These loan notes are due to be repaid at the end of the term of the agreement being 11 April 2018 and carry an interest rate of 15% payable over the term of the agreement

Interest accruals totalling £10 832 000 (*2010 £7 804 000*) are included in other creditors falling due after more than one year

19 Provisions for liabilities

Group

	Deferred taxation £000
At 1 April 2010	235
Charged to profit and loss account (see note 9)	31
At 1 April 2011	**266**

Deferred taxation

	2011 £000	2010 £000
Accelerated capital allowances	**283**	253
Other timing differences	**(17)**	(18)
	266	235

Notes *(continued)*

20 Share capital

	2011 £000	2010 £000
Allotted, called up and fully paid		
20 000 ordinary A shares of 10p each	**2**	2
180 000 ordinary B shares of 10p each	**18**	18
100 deferred shares of 10p each	-	-
	20	20

On 30 November 2010 Tyrrells Group Holdings Limited allotted 100 deferred shares of 10p each in exchange for £2 156,389 of primary vendor loan notes This resulted in additional share capital of £10 and share premium on each share of £21 564 a total of £2 156 379 of share premium The company was released from all amounts and liabilities owed in connection with these loan notes and the loan notes were cancelled

Rights to dividends

Any profits available for distribution which the company may determine to distribute shall be applied in paying a dividend to the holders of the ordinary A shares and ordinary B shares which shall rank pari passu in respect thereof provided that the holders of the deferred shares (pro rata amongst themselves) shall be entitled to receive 0 001% of any remaining profits available for distribution after the holders of the A ordinary shares and B ordinary shares have between them received £1 000 000 in aggregate The balance (being 99 999%) of any remaining profits available for distribution shall then be applied in paying a dividend to the holders of the A" ordinary shares and "B ordinary shares on the same basis as aforesaid

Voting rights

Every A ordinary shareholder and "B ordinary shareholder who is present in person or by proxy or is present by a representative not being himself a member, shall have one vote for each share of which they are a holder

Conversion event

The ordinary A shares carry the right through a ratchet mechanism to an enhanced equity participation In the event of a conversion event a number of ordinary B shares shall be converted into deferred shares in accordance with the Articles of Association of the company and in pro-rata to the relative shareholdings of each shareholder This will result in a greater equity participation of ordinary A shareholders up to a maximum of 20% of the issued nominal equity share capital

Winding up

On winding up the surplus assets of the company remaining after payment of its liabilities shall be distributed in the following order of priority

(i) In paying each holder of 'A ordinary and 'B ordinary shares an amount equal to the amount paid up for these years If insufficient surplus assets exist, the amounts paid shall be abated pro-rata to the number of ordinary shares held by each shareholder

(ii) The balance or the surplus assets then remaining shall be distributed amongst the holders of the A ordinary and B ordinary shares pro-rata to their shareholding

(iii) The deferred shares shall entitle the holders thereof to payment of the amounts paid up thereon only after payment to the holders of the ordinary shares of the nominal amount paid up on the ordinary shares held by them respectively and the payment of a further £10 000 000 on each share The deferred shares shall not entitle the holders thereof to the payment of a dividend or to receive notice of or attend and vote at any general meeting of the company

Notes *(continued)*

21 Reserves

Group

	Share premium account £000	Profit and loss account £000
At 1 April 2010	200	(6 503)
Premium on shares issued during the period	2 156	-
Loss for the period	-	(5 589)
At 1 April 2011	**2,356**	**(12,092)**

Company

	Share premium account £000	Profit and loss account £000
At 1 April 2010	200	(10 566)
Premium on shares issued during the period	2 156	-
Loss for the period	-	(7 203)
At 1 April 2011	**2,356**	**(17,769)**

22 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011 £000	2010 £000	**2011 £000**	2010 £000
Loss for the period	**(5,589)**	(3 901)	**(7,203)**	(5 243)
Issue of shares	-	1	-	1
Premium on shares issued during the period	**2,156**	19	**2,156**	19
Net deductions from shareholders' deficit	**(3,433)**	(3 881)	**(5,047)**	(5 223)
Opening shareholders' deficit	**(6,283)**	(2 402)	**(10,346)**	(5 123)
Closing shareholders' deficit	**(9,716)**	(6 283)	**(15,393)**	(10 346)

Notes *(continued)*

23 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating leases which expire				
Within one year	-	-	-	1
In two to five years	-	7	-	6
After five years	**120**	-	120	-
	120	**7**	120	7

24 Related party disclosures

Related party transactions and balances

Until 30 November 2010 WL Chase was a related party by virtue of him being a director

WL Chase was a director of Chase Farm Limited up to 30 November 2010 During the period to 30 November 2010 the company made purchases from Chase Farm Limited totalling £497 000 *(year ended 31 March 2010 £1 335 000)* At 1 April 2011 the company owed £Nil *(2010 £180 000)* to Chase Farm Limited

Langholm Capital LLP is the majority shareholder of Tyrrells Group Holdings Limited During the period the company paid Langholm Capital £23 000 for consultancy services and £60 000 to reimburse certain expenses

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 Related party disclosures not to disclose transactions with Tyrrells Group Holdings Limited or other wholly owned subsidiaries within the group

25 Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	£000	£000
Operating profit	**1,898**	1 583
Amortisation of intangible fixed assets	**1,690**	1 690
Depreciation of tangible fixed assets	**536**	514
Profit on sale of tangible fixed assets	**-**	(5)
Decrease/(increase) in stocks	**(404)**	22
Increase in debtors	**(2,083)**	(1 035)
Increase in creditors	**1,917**	656
Net cash inflow from operating activities	**3,554**	3 425

Notes *(continued)*

26 Reconciliation of net cash flow to movement in net debt

	2011 £000	2010 £000
Increase/(decrease) in cash	**2,420**	(80)
Cash inflow/(outflow) from changes in debt	**(2,875)**	2 018
Movement in net debt resulting from cash flows	**(455)**	1 938
Conversion of other loans into deferred shares	**2,156**	-
Release of FRS 4 loan deal costs	**(419)**	-
Amortisation of FRS 4 loan deal costs	**(144)**	(140)
Conversion of debt	-	20
Movement in net debt	**1,138**	1 818
Opening net debt	**(35,156)**	(36 974)
Closing net debt	**(34,018)**	(35 156)

27 Analysis of net debt

	At 1 April 2010 £000	Cash flow £000	Non-cash movements £000	At 1 April 2011 £000
Cash at bank and in hand	968	2 420	-	**3,388**
Debt due				
Within one year	(1 010)	258	(563)	**(1,315)**
After one year	(35 000)	(3 191)	2 156	**(36,035)**
Finance leases	(114)	58	-	**(56)**
Total	(35 156)	(455)	1 593	**(34,018)**

Non-cash movements include share premium on conversion of other loans into deferred shares release of FRS 4 loan deal costs and amortisation of loan deal costs

28 Ultimate controlling party

The majority shareholder is Langholm Capital LLP