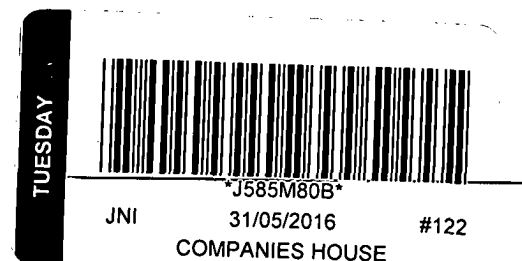


Registered number: NI027321

Westland Horticulture Limited
Annual report and consolidated financial statements
for the 8 month period ended 30 August 2015



Westland Horticulture Limited

Annual report and consolidated financial statements for the 8 month period ended 30 August 2015

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Westland Horticulture Limited

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Directors and advisers

Directors

Edward Conroy
Robert Lavery
John McVeigh
John McDowell
Keith Nicholson
Scott Dougherty
Peter Madden

Company secretary

John McVeigh

Registered office

61 Malone Road
Belfast
BT9 6SA

Solicitors

Tughans,
Marlborough House,
30 Victoria Street,
Belfast
BT1 3GG

Bankers

Danske Bank
Donegall Square West Branch
PO BOX 183
Belfast
BT1 6JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Strategic report for the 8 month period ended 30 August 2015

The directors present their strategic report on the group and the parent company for the 8 month period ended 30 August 2015 (the comparative period is for the year ended 28 December 2014).

Principal activities

The principal activities of the group are the processing and distribution of products for the gardening and horticulture markets and the sale of bird seed and related products.

Review of the business and future developments

Performance

The group's recorded profit for the financial period of £4,094,933 (year ended 28 December 2014: £4,903,384). The trading results and period-end financial position were considered to be satisfactory. The directors believe that there are still opportunities for growth as new lines are introduced to the growing media and fertilizer market.

During the period the group acquired the trade and specific assets of William Sinclair PLC and the share capital of Westland SPZoo. Details of the acquisitions are given in note 29 to the financial statements. Also during the period the group transferred its shares in its subsidiary undertaking Westland Peat Limited to its parent company Westland Group Limited.

The directors are satisfied with the results for the period. The directors have plans in place to ensure the group is strongly placed to retain its market position and continued profitability. Since the period end performance to date has been encouraging.

Risks

The core risks associated with the company's financial instruments (i.e. its interest bearing loans and debt, cash and cash equivalents, short dated liquid investments and finance leases and on the operational trade receivables and payables) are currency risk, interest rate risk, credit risk and liquidity risk.

Key performance indicators (KPIs)

The group's key performance indicators are as follows:

	2015	2014	2013
Movement in sales	(9%)	4%	9%
Gross margin	26%	25%	25%
Net profit percentage	4%	5%	5%

Movement in sales: These figures represent the movement in sales for the 8 month period ended 30 August 2015 and the calendar year ending 28 December 2014 and 30 December 2013.

Gross margin: The overall gross margin has remained constant.

Net profit percentage: The net profit percentage has remained constant.

Financial risk management

The group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group finance department.

Strategic report for the 8 month period ended 30 August 2015 (continued)

Financial risk management (continued)

Foreign exchange risk

While the greater part of the group's revenues and expenses are denominated in sterling, the group is exposed to some foreign exchange risk in the normal course of business, principally from sales and purchases in euros. The group has used financial instruments to hedge foreign exchange exposure and this position is kept constantly under review.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The group has no significant concentration of credit risk with the total exposure spread over a number of debtors. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

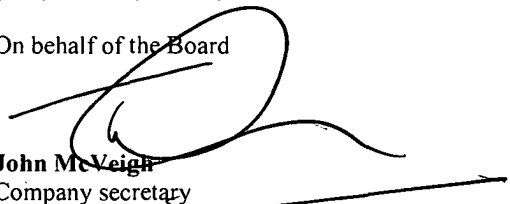
Liquidity risk

The group actively maintains a mixture of short to medium-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at both fixed and variable rates. Interest bearing liabilities relate to bank loans, overdrafts and hire purchase agreements. The group debt is primarily maintained at variable rates although it also utilises a number of fixed rate loans.

On behalf of the Board



John McVeigh
Company secretary
27 May 2016

Directors' report for the 8 month period ended 30 August 2015

The directors present their report and the audited consolidated financial statements of the group and company for the 8 month period ended 30 August 2015. This is the first period that the group and the company has adopted FRS 102. Details of the transition are given in note 30 to the financial statements.

Results and dividends

The results for the group show a profit for the financial period of £4,094,933 (year ended 28 December 2014: £4,903,384) on sales of £96,645,294 (year ended 28 December 2014: £106,424,102) for the financial period. A cash dividend of £910,000 (2014: £1,500,000) was paid during the period. In addition dividends in specie were transacted of £9,651,361 (2014: £Nil). The directors do not recommend a final dividend be paid (year ended 28 December 2014: £nil).

Political donations

No donations for political purposes were made during the period (year ended 28 December 2014: £Nil).

Directors

The directors of the company who were in office during the period, and up to the date of signing the financial statements, are shown on page 1.

Environment

The group recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The group is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Human resources

The group's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the group has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Research and development activities

The group is strongly committed to research and development activities in order to secure and enhance its market position. Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Employment policies

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the group.

Directors' report for the 8 month period ended 30 August 2015 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the group and parent company financial statements (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 prepared 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 (FRS 102).

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 company and of the profit or loss of the group and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

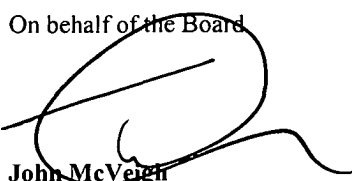
So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



John McVeigh
Company secretary

27 May 2016

Westland Horticulture Limited

Independent auditors' report to the members of Westland Horticulture Limited

Report on the financial statements

Our opinion

In our opinion, Westland Horticulture Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 August 2015 and of the group's profit and cash flows for the 8 month period (the "period") 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.

What we have audited

The financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), comprise:

- the consolidated balance sheet and company balance sheet as at 30 August 2015;
- the consolidated profit and loss account and the consolidated statement of other comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity and the company statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Westland Horticulture Limited

Independent auditors' report to the members of Westland Horticulture Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

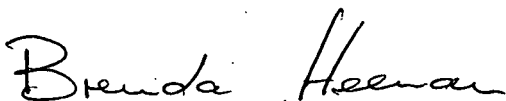
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Brenda Heenan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast

31 May 2016

Consolidated profit and loss account for the 8 month period ended 30 August 2015

	Notes	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Turnover	5	96,645,294	106,424,102
Cost of sales		(71,489,743)	(79,537,591)
Gross profit		25,155,551	26,886,511
Distribution expenses		(9,779,292)	(11,636,593)
Administration expenses		(8,937,365)	(10,934,401)
Exceptional (losses)/gains	6	(359,479)	1,170,836
Other operating income		207,045	544,559
Operating profit	7	6,286,460	6,030,912
Interest receivable and similar income		-	10,959
Interest payable and similar charges	10	(357,643)	(501,602)
Net interest expense		(357,643)	(490,643)
Profit on ordinary activities before taxation		5,928,817	5,540,269
Tax on profit on ordinary activities	11	(1,833,884)	(636,885)
Profit for the financial period		4,094,933	4,903,384
Profit attributable to:			
Owners and parent		4,256,286	5,019,085
Non-controlling interests	27	(161,353)	(115,701)
Profit for the financial period		4,094,933	4,903,384

All amounts above relate to continuing operations of the group.

Consolidated statement of other comprehensive income for the 8 month period ended 30 August 2015

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Profit for the financial period	4,094,933	4,903,384
Currency translation differences on foreign currency net investments	(97,414)	(469,596)
Total comprehensive income for the period	3,997,519	4,433,788


Westland Horticulture Limited

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Consolidated balance sheet as at 30 August 2015

	Notes	30 August 2015 £	28 December 2014 £
Fixed assets			
Intangible assets	14	3,615,950	4,344,054
Tangible assets	15	25,475,372	16,796,771
Other investments	16	250,000	250,000
		29,341,322	21,390,825
Current assets			
Stocks	17	18,416,555	25,536,698
Debtors	18	20,645,966	15,075,901
Cash at bank and in hand		5,881,604	-
		44,944,125	40,612,599
Creditors: amounts falling due within one year	19	(44,746,201)	(35,450,678)
Net current assets		197,924	5,161,921
Total assets less current liabilities		29,539,246	26,552,746
Creditors: amounts falling due after more than one year	20	(12,206,870)	(2,719,105)
Provision for liabilities	11	(241,511)	(178,934)
Net assets		17,090,865	23,654,707
Capital and reserves			
Called up share capital	23	8,422	8,422
Capital redemption reserve		1,578	1,578
Profit and loss account		17,308,307	23,710,796
Total shareholders' funds		17,318,307	23,720,796
Non-controlling interests	27	(227,442)	(66,089)
Capital employed		17,090,865	23,654,707

The financial statements on pages 8 to 34 were approved by the board on 27 May 2016 and were signed on its behalf by:


John McVeigh
 Director

Registered number: NI027321


Westland Horticulture Limited

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Company balance sheet as at 30 August 2015

	Notes	30 August 2015 £	28 December 2014 £
Fixed assets			
Intangible assets	14	3,938,535	4,313,631
Tangible assets	15	14,811,516	14,480,132
Investments	16	1,878,892	4,447,444
		20,628,943	23,241,207
Current assets			
Stocks	17	12,191,988	22,186,277
Debtors	18	29,813,468	17,306,404
Cash at bank and in hand		11,870,894	-
		53,876,350	39,492,681
Creditors: amounts falling due within one year	19	(37,104,360)	(39,692,843)
Net current assets/(liabilities)		16,771,990	(200,162)
Total assets less current liabilities		37,400,933	23,041,045
Creditors: amounts falling due after more than one year	20	(12,206,870)	(2,369,105)
Provision for liabilities	11	(239,104)	(178,393)
Net assets		24,954,959	20,493,547
Capital and reserves			
Called up share capital	23	8,422	8,422
Capital redemption reserve		1,578	1,578
Profit and loss account		24,944,959	20,483,547
Total shareholders' funds		24,954,959	20,493,547

The financial statements on pages 8 to 34 were approved by the board on 27 May 2016 and were signed on its behalf by:


 John McVeigh
 Director

Registered number: NI027321

Consolidated statement of changes in equity for 8 month period ended 30 August 2015

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £	Non- controlling interests £	Total capital employed £
Balance as at 30 December 2013	8,422	1,578	20,661,307	20,671,307	(388)	20,670,919
Profit for the financial year	-	-	5,019,085	5,019,085	(115,701)	4,903,384
Currency transaction differences	-	-	(469,596)	(469,596)	-	(469,596)
Total comprehensive income for the year	-	-	4,549,489	4,549,489	(115,701)	4,433,788
Conversion to minority shareholding	-	-	-	-	50,000	50,000
Dividends paid	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Total transactions with owners recognised directly in equity	-	-	(1,500,000)	(1,500,000)	50,000	(1,450,000)
Balance as at 28 December 2014	8,422	1,578	23,710,796	23,720,796	(66,089)	23,654,707

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £	Non- controlling interests £	Total capital employed £
Balance as at 29 December 2014	8,422	1,578	23,710,796	23,720,796	(66,089)	23,654,707
Profit for the financial period	-	-	4,256,286	4,256,286	(161,353)	4,094,933
Currency translation differences	-	-	(97,414)	(97,414)	-	(97,414)
Total comprehensive income for the period	-	-	4,158,872	4,158,872	(161,353)	3,997,519
Dividends paid	-	-	(910,000)	(910,000)	-	(910,000)
Dividends in specie	-	-	(9,651,361)	(9,651,361)	-	(9,651,361)
Total transactions with owners recognised directly in equity	-	-	(10,561,361)	(10,561,361)	-	(10,561,361)
Balance as at 30 August 2015	8,422	1,578	17,308,307	17,318,307	(227,442)	17,090,865

Company statement of changes in equity for the period ended 30 August 2015

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £
Balance as at 30 December 2013	8,422	1,578	16,526,946	16,536,946
Profit for the financial year	-	-	5,456,601	5,456,601
Total comprehensive income for the year	-	-	5,456,601	5,456,601
Dividends paid	-	-	(1,500,000)	(1,500,000)
Total transactions with owners recognised directly in equity	-	-	(1,500,000)	(1,500,000)
Balance as at 28 December 2014	8,422	1,578	20,483,547	20,493,547

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £
Balance as at 29 December 2014	8,422	1,578	20,483,547	20,493,547
Profit for the financial period	-	-	7,941,752	7,941,752
Total comprehensive income for the period	-	-	7,941,752	7,941,752
Dividends paid	-	-	(910,000)	(910,000)
Dividends in specie	-	-	(2,570,340)	(2,570,340)
Total transactions with owners recognised directly in equity	-	-	(3,480,340)	(3,480,340)
Balance as at 30 August 2015	8,422	1,578	24,944,959	24,954,959

Consolidated cash flow statement for the 8 month period ended 30 August 2015

	Notes	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Net cash from operating activities	24	23,320,050	3,170,219
Taxation		(486,619)	(1,144,832)
Net cash generated from operating activities		22,833,431	2,025,387
Cash flow from investing activities			
Purchase of tangible fixed assets		(2,236,496)	(5,527,304)
Purchase of subsidiary undertakings		(12,949,319)	-
Proceeds on disposals of tangible fixed assets		-	54,914
Net cash used in investing activities		(15,185,815)	(5,472,390)
Cash flow from financing activities			
Interest paid		(357,643)	(490,643)
Bank loans and other loans advanced		11,600,000	-
Bank loans and other loans repaid		(3,037,248)	(6,222,584)
Advances from directors (net)		-	460,145
Repayment of principal under hire purchase and finance lease agreements		(400,000)	(600,000)
Dividends		(910,000)	(1,500,000)
Receipts of government grants		207,045	520,184
Net cash used in financing activities		7,102,154	(7,782,898)
Net increase in cash in the year		14,749,770	(11,229,901)
Cash and cash equivalents at the beginning of the year		(8,868,166)	2,361,735
Cash and cash equivalents at the end of the year		5,881,604	(8,868,166)
Cash and cash equivalents for the purposes of the statement of cash flows consists of:			
Cash and cash equivalents		5,881,604	-
Bank overdrafts		-	(8,868,166)
Cash and cash equivalents net of bank overdrafts		5,881,604	(8,868,166)

Notes to the financial statements for the 8 month period ended 30 August 2015

1 General information

Westland Horticulture Limited ('the Company') and its subsidiaries (together "the Group") operate in processing and distribution of products for the gardening and horticulture markets and the sale of bird seed and related products.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 61 Malone Road, Belfast, BT9 6SA.

2 Statement of compliance

The group and company financial statements of Westland Horticulture Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 30.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 30 August 2015.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and value added taxes.

Where the consideration receivable in cash at bank and in hand is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The group recognises turnover when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the group's sales channels have been met, as described below.

Turnover is recognised on customer receipt of goods.

Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) *Defined contribution pension plans*

The group operates a defined contribution scheme for specific directors and employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination. Goodwill is amortised over its expected useful life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- i) Goodwill – 10% straight line.
- ii) Patents – 10% straight line
- iii) Brands – 10% straight line
- iv) Relationships – 10% straight line

Amortisation is charged to Administrative expenses in the Profit and loss account.

Negative goodwill arising on acquisitions up to the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered, whether through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Impairment of non-financial assets (continued)

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Tangible fixed assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

(i) Freehold land and buildings

Freehold buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Long leasehold land and buildings

Long leasehold buildings are amortised over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

(iii) Plant and machinery, fixtures and fittings and motor vehicles

Plant and machinery are stated at cost less accumulated depreciation and accumulated impairment losses.

(iv) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Freehold buildings	-	4% straight line
Leasehold improvements	-	straight line over the life of the lease
Plant and machinery	-	15% - 20% straight line
Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% straight line
Land	-	Not depreciated

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(v) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. Repairs, maintenance and minor inspection costs are expensed as incurred.

(vi) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. In the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity.

Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment charge is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Foreign currencies

(i) Functional and presentation currency

The group financial statements are presented in pound sterling.

The company's functional and presentation currency is the pound sterling.

(ii) 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 profit and loss account.

(iii) Translation

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in "Other comprehensive income" and allocated to non-controlling interest as appropriate.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Leased assets

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful economic life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Rentals under operating leases are charged to the profit and loss account as incurred.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors, cash and bank balances, directors' current accounts, amounts due from group undertakings and related parties and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and over drafts, directors' current accounts and amounts due to group undertakings and related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements for the 8 month period ended 30 August 2015

3 Accounting policies (continued)

Financial instruments (continued)

(iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the group's shareholders are recognized as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognized in the statement of changes in equity.

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

4 Critical judgements and estimation uncertainty

(a) Critical judgements in applying the group's accounting policies

There are no critical judgements in applying the group's accounting policies.

(b) Key accounting estimates and assumptions

There are no key accounting estimates and assumptions in applying the group's accounting policies.

5 Turnover

All turnover relates to the group's main activity which is carried out in the United Kingdom.

6 Exceptional (losses)/gains

Administration expenses includes an exceptional bad debt write off of £92,919 (year ended 28 December 2014: £729,747), £266,560 of exceptional integration costs in relation to the acquisition of specific trade and assets of William Sinclair PLC (year ended 28 December 2014: £nil) and a £nil (year ended 28 December 2014: £1,900,583) credit in relation to the negative goodwill write off.

Notes to the financial statements for the 8 month period ended 30 August 2015

7 Operating profit

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
This is stated after charging/(crediting):		
Wages and salaries	11,691,580	13,855,609
Social security costs	957,980	1,211,652
Other pension costs	365,823	393,844
Total staff costs charged to profit and loss	13,015,383	15,461,105
Amortisation of intangible assets	375,096	572,499
Amortisation of negative goodwill	-	(1,900,583)
Impairment of trade receivables	566,024	(245,730)
Stock recognised as an expense	44,708,505	50,303,809
Impairment of stock	(581,315)	(380,428)
Depreciation of owned assets	1,899,839	2,145,437
Depreciation of assets held under finance lease	264,338	360,978
Foreign currency gains	(801,124)	(397,387)
Government revenue grants received	(153,054)	(520,184)
Loss on sale of tangible fixed assets	-	54,914
Operating lease rentals	631,215	537,856
Fees payable to the company's auditor for the audit of the financial statements of the parent company and the consolidation	51,900	43,000
Fees payable to the company's auditor for the audit of the financial statements of subsidiaries of the company pursuant to legislation	35,815	19,750
Fees payable to the company's auditor for other services relating to taxation	70,800	19,700

8 Employee information

	8 month period ended 30 August 2015 Number	Year ended 28 December 2014 Number
Average monthly number of persons employed by the group (including directors) during the period by activity:		
Selling and distribution	139	108
Production	190	278
Administration	97	89
	426	475

Notes to the financial statements for the 8 month period ended 30 August 2015
9 Directors' remuneration

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Aggregate remuneration	949,260	1,120,931
Company contributions paid to money purchase schemes	50,785	71,400
	1,000,045	1,192,331

Retirement benefits are accruing to seven (2014: seven) directors under the defined contribution scheme.

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Highest paid director:		
Aggregate remuneration	187,762	212,215

10 Interest payable and similar charges

	8 month period ended 30 August 2015	Year ended 28 December 2014
Interest payable on bank loans and overdrafts	357,643	501,602

Notes to the financial statements for the 8 month period ended 30 August 2015

11 Tax (credit)/charge on profit on ordinary activities

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Current tax:		
UK corporation tax payable at 20.38% (year end December 2014: 21.55%)	1,767,023	460,601
Adjustment in respect of previous years	4,284	(2,650)
Total current tax	1,771,307	457,951
Deferred tax:		
Accelerated capital allowances and other timing differences	28,891	103,025
Adjustment in respect of previous years	34,293	83,053
Adjustment in respect of rate change	(607)	(7,144)
Total deferred tax	62,577	178,934
Tax on profit on ordinary activities	1,833,884	636,885

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20.38% (2014: 21.55%). The differences are explained below:

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Profit on ordinary activities before tax	5,928,816	5,540,269
Profit on ordinary activities multiplied by standard rate in the UK 20.38% (year end December 2014: 21.50%)	1,177,158	1,191,158
Effects of:		
Non taxable income	-	(276,836)
Expenses not deductible for tax purposes	200,973	248,946
Adjustment for lower tax rates in foreign jurisdictions	(63,007)	(222,291)
Adjustment in respect of previous years	38,490	80,403
Enhanced research and development tax credits	(225,994)	(377,381)
Change in tax rates	(558)	(7,144)
Unutilised losses	706,822	-
Current tax charge for the period	1,833,884	636,855

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation Tax rate which decreased from 21% to 20% from 1 April 2015. Accordingly the company's taxable profits are taxed at a rate of 20.38% during the year.

Further reductions to the UK Corporation Tax rate were substantively enacted as part of the Finance Act 2015 (substantively enacted on 26 October 2015). These reduce the main rate of tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

Notes to the financial statements for the 8 month period ended 30 August 2015

11 Tax on profit on ordinary activities (continued)

Deferred taxation:

Deferred tax liabilities and assets have not been discounted.

	Group		Company	
	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Deferred tax liability at the beginning of period	178,934	-	178,393	-
Charge/(credit) to profit and loss account	28,284	178,934	30,156	178,393
Adjustment in respect of previous years	34,293	-	30,555	-
Deferred tax liability at the end of period	241,511	178,934	239,104	178,393

The deferred tax is made up as follows:

	Group		Company	
	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Accelerated capital allowances	241,511	178,934	239,104	178,393
Total deferred tax liability	241,511	178,934	239,104	178,393

12 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The parent company made a profit of £7,941,752 (year end 28 December 2014: £5,456,601) during the financial period.

13 Dividends

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Dividends paid		
Current year interim dividend paid £108.05 per £1 Ordinary Share (year end December 2014: £178.10)	910,000	1,500,000
Dividends in specie	9,651,361	9,651,361

Notes to the financial statements for the 8 month period ended 30 August 2015

14 Intangible assets

	Goodwill	Patents	Brands	Customer relationships	Negative goodwill	Total
	£	£	£	£	£	£
Group						
At 29 December 2014						
Cost brought forward	5,871,099	41,667	-	-	-	5,912,766
Additions arising on acquisition	-	5	395,284	25,636	(771,524)	(350,599)
Disposals	(244,629)	-	-	-	-	(244,629)
Currency translation differences	-	(5,127)	-	-	-	(5,127)
At 30 August 2015	5,626,470	36,545	395,284	25,636	(771,524)	5,312,411
Accumulated amortisation						
At 29 December 2014	1,557,468	11,244	-	-	-	1,568,712
Charge for the period	375,096	-	-	-	-	375,096
Disposals	(244,629)	-	-	-	-	(244,629)
Currency translation differences	-	(2,718)	-	-	-	(2,718)
At 30 August 2015	1,687,935	8,526	-	-	-	1,696,461
Net book amount						
At 30 August 2015	3,938,535	28,019	395,284	25,636	(771,524)	3,615,950
At 28 December 2014	4,313,631	30,423	-	-	-	4,344,054
Company					Goodwill	
					£	
Cost						
At 28 December 2014 and at 30 August 2015					5,626,470	
Accumulated amortisation						
At 29 December 2014					1,312,839	
Charge for the period					375,096	
At 30 August 2015					1,687,935	
Net book amount						
At 30 August 2015					3,938,535	
At 28 December 2014					4,313,631	

Notes to the financial statements for the 8 month period ended 30 August 2015

15 Tangible assets

Group	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 29 December 2014	9,547,443	554,407	28,668,957	3,685,242	262,850	42,718,899
Additions	1,271,087	164,000	706,427	64,084	30,900	2,236,496
Arising on acquisition (note 29)	2,720,000	400,000	5,607,005	-	-	8,727,005
Disposals	(18,625)	-	(259,345)	(30,524)	(42,904)	(351,398)
Disposal of subsidiary assets	(173,624)	-	-	-	-	(173,624)
Currency translation differences	-	(8,891)	(13,195)	(1,191)	-	(23,277)
At 30 August 2015	13,346,281	1,109,516	34,709,849	3,717,609	250,846	53,134,101
Accumulated depreciation						
At 29 December 2014	3,504,946	271,780	18,564,990	3,338,527	241,884	25,922,127
Charge for the period	262,649	53,773	1,726,966	109,647	11,142	2,164,177
Disposals	(18,625)	-	(218,186)	(30,524)	(22,416)	(289,751)
Disposal of subsidiary assets	(134,669)	-	-	-	-	(134,669)
Currency translation differences	-	(1,560)	(1,112)	(483)	-	(3,155)
At 30 August 2015	3,614,301	323,993	20,072,658	3,417,167	230,610	27,658,729
Net book amount						
At 30 August 2015	9,731,980	785,523	14,637,191	300,442	20,236	25,475,372
At 28 December 2014	6,042,497	282,627	10,103,967	346,714	20,966	16,796,771

The net book amount of plant and machinery includes an amount of £1,727,801 (28 December 2014: £1,992,139) in respect of assets held under hire purchase and finance lease agreements. Depreciation for the period on these assets was £264,338 (year end 28 December 2014: £363,864).

Notes to the financial statements for the 8 month period ended 30 August 2015

15 Tangible assets (continued)

Company	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 29 December 2014	9,355,194	442,127	25,730,513	3,551,636	258,914	39,338,384
Additions	1,288,974	-	706,427	21,882	30,900	2,048,183
Disposals	-	-	-	-	(39,330)	(39,330)
At 30 August 2015	10,644,168	442,127	26,436,940	3,573,518	250,484	41,347,237
Accumulated depreciation						
At 29 December 2014	3,351,650	251,162	17,738,496	3,278,996	237,948	24,858,252
Charge for the period	262,649	14,083	1,317,842	90,593	11,142	1,696,309
Disposals	-	-	-	-	(18,840)	(18,840)
At 30 August 2015	3,614,299	265,245	19,056,338	3,369,589	230,250	26,535,721
Net book amount						
At 30 August 2015	7,029,869	176,882	7,380,602	203,929	20,234	14,811,516
At 28 December 2014	6,003,544	190,965	7,992,017	272,640	20,966	14,480,132

16 Investments

Group	Other investments £
Cost	
At 28 December 2014 and at 30 August 2015	250,000

The market value of the listed investments at 30 August 2015 was £280,000 (year end 28 December 2014: £284,627).

Company	Other investments £	Shares in group undertakings £	Total £
Cost			
At 29 December 2014	250,000	4,197,444	4,447,444
Additions	-	1,788	1,788
Disposals	-	(2,570,340)	(2,570,340)
At 30 August 2015	250,000	1,628,892	1,878,892

Notes to the financial statements for the 8 month period ended 30 August 2015

16 Investments (continued)

The market value of the listed investments at 30 August 2015 was £280,000 (year end 28 December 2014: £284,627).

Details of undertakings

The company holds directly more than 20% of the share capital in the following companies:

Subsidiary undertaking	Holdings	Proportion of voting rights and shares held	Principal activity
Westland (GB Trading)	Ordinary shares	100%	Supply of horticulture products
Westland Spzoo	Ordinary shares	100%	Supply of horticulture products
Cronus Logistics Limited	Ordinary shares	100%	Provision of haulage services
Crest Garden Limited	Ordinary shares	80%	Supply of horticulture products
Seramis GmbH	Ordinary shares	99.75%	Supply of horticulture products

17 Stocks

	Group		Company	
	30 August 2015	28 December 2014	30 August 2015	28 December 2014
	£	£	£	£
Raw materials	8,914,983	13,522,404	6,809,375	11,088,411
Finished goods	9,501,572	12,014,294	5,382,613	11,097,866
	18,416,555	25,536,698	12,191,988	22,186,277

There is no material difference between the replacement cost of stocks and their balance sheet values.

18 Debtors

	Group		Company	
	30 August 2015	28 December 2014	30 August 2015	28 December 2014
	£	£	£	£
Trade debtors	16,720,198	11,511,563	13,300,119	10,505,816
Amounts due from group undertakings	-	-	13,875,748	4,609,510
Amounts due from related parties	37,325	68,557	22,707	68,557
Other debtors	715,745	1,531,396	600,880	1,317,494
Directors' current accounts	-	22,198	-	22,198
Corporation tax receivable	-	65,892	-	112,925
Prepayments and accrued income	3,172,698	1,876,295	2,014,014	669,904
	20,645,966	15,075,901	29,813,468	17,306,404

Amounts due from group undertakings and related parties are unsecured, interest free and payable on demand.

Group trade debtors are stated after provisions for impairment of £1,159,001 (28 December 2014 £592,977).

Company trade debtors are stated after provisions for impairment of £1,102,373 (28 December 2014 £583,554).

Notes to the financial statements for the 8 month period ended 30 August 2015
19 Creditors: amounts falling due within one year

	Group		Company	
	30 August	28 December	30 August	28 December
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (note 20)	3,184,841	12,934,843	3,184,841	8,247,717
Trade creditors	7,216,865	6,698,988	5,788,167	4,648,783
Obligations under finance lease and hire purchase contracts	550,000	600,000	-	-
Amounts due to related parties	11,794,613	630,300	11,794,612	13,507,480
Corporation tax	1,086,796	-	1,049,937	-
Other taxes and social security	1,188,750	404,096	787,225	356,284
Other creditors	1,812,799	1,300,601	460,716	1,282,393
Directors' current accounts	85,463	6,576	85,463	6,576
Accruals and deferred income	17,826,074	12,875,274	13,953,399	11,643,610
	44,746,201	35,450,678	37,104,360	39,692,843

Amounts due to group undertakings and related parties are unsecured, interest free and payable on demand.

20 Creditors: amounts falling due after more than one year

	Group		Company	
	30 August	28 December	30 August	28 December
	2015	2014	2015	2014
	£	£	£	£
Bank loans	11,529,343	2,084,755	11,529,343	2,084,755
Obligations under finance lease and hire purchase contracts	-	350,000	-	-
Accruals and deferred income	677,527	284,350	677,527	284,350
	12,206,870	2,719,105	12,206,870	2,369,105

Bank loans and overdrafts are repayable as follows:

	Group		Company	
	30 August	28 December	30 August	28 December
	2015	2014	2015	2014
	£	£	£	£
Within one year or on demand	3,184,841	12,934,843	3,184,841	8,247,717
Between one and two years	4,329,343	2,084,755	4,329,343	2,084,755
Between two and five years	7,200,000	-	7,200,000	-
	14,714,184	15,019,598	14,714,184	10,332,473

Security

The group's bank borrowings are secured by an all monies debenture with fixed and floating security over the property, assets, undertakings, rights and revenues of the company including a first legal charge over properties at Granville Industrial Estate, Dungannon; Moy Road, Dungannon, Carnlough Road, Pomeroy.

Notes to the financial statements for the 8 month period ended 30 August 2015

21 Financial instruments

	Group		Company	
	30 August 2015	28 December 2014	30 August 2015	28 December 2014
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	5,881,604	-	11,870,894	-
Trade debtors	16,720,198	11,511,563	13,300,119	10,505,816
Amounts due from group undertakings	-	-	13,875,748	4,609,510
Amounts due from related parties	37,325	68,557	22,707	68,557
Other debtors	715,745	1,531,396	600,880	1,317,494
	23,354,872	13,111,516	39,670,348	16,501,377
Financial liabilities measured at amortised cost				
Bank loans and overdrafts (note 20)	14,714,184	15,019,598	14,714,184	10,332,472
Trade creditors	7,216,865	6,698,988	5,788,167	4,648,783
Amounts due to related parties	11,794,613	630,300	11,794,612	13,507,480
Other creditors	1,812,799	1,300,601	460,716	1,282,393
Finance leases	550,000	950,000	-	-
	36,088,461	24,599,487	32,757,679	29,771,128

22 Operating lease commitments

The group and the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods::

	Group		Company	
	30 August 2015	31 December 2014	30 August 2015	31 December 2014
	£	£	£	£
No later than one year	2,223,965	946,822	1,780,983	883,961
Later than one year and no later than five years	3,734,332	3,624,225	3,734,332	3,624,225
Later than five years	234,522	1,013,200	234,522	1,013,200
	6,192,819	5,584,247	5,749,837	5,521,386

Notes to the financial statements for the 8 month period ended 30 August 2015

23 Called up share capital

	30 August 2015 £	28 December 2014 £
Allotted and fully paid		
8,422 (2014: 8,422) ordinary shares of £1 each	8,422	8,422

24 Notes to the cash flow statement

	8 month period ended 30 August 2015 £	Year ended 28 December 2014 £
Profit after tax	4,094,933	5,019,085
Tax on profit on ordinary activities	1,833,884	636,885
Interest payable	357,643	490,643
Amortisation of negative goodwill	-	(1,900,583)
Depreciation and amortisation and impairment charges	2,539,273	3,077,119
Loss on disposal of property, plant and equipment	-	465,875
Movement in stocks	10,059,270	(5,277,368)
Movement in trade and other receivables	(14,176,525)	(2,666,274)
Movement in trade and other payables	18,818,617	3,960,722
Receipt of government grants	(207,045)	(520,184)
Net cash inflow from operating activities	23,320,050	3,170,219

Notes to the financial statements for the 8 month period ended 30 August 2015

25 Related party transactions and ultimate controlling party

John McVeigh & Company - (John McVeigh is a director of Westland Horticulture Limited)

During the period John McVeigh & Company charged fees of £10,400 (2014: £18,050) for accounting and other professional services. At the balance sheet date the amount due to John McVeigh & Company was £nil (2014: £6,576).

Edward Conroy - (Edward Conroy is a director of Westland Horticulture Limited)

Edward Conroy has provided an interest free loan to Westland Horticulture Limited with no set repayment date. At the balance sheet date the amount due to Edward Conroy was £95,545 (2014: £20,036).

Robert Lavery - (Robert Lavery is a director of Westland Horticulture Limited)

Robert Lavery has provided an interest free loan to Westland Horticulture Limited with no set repayment date. At the balance sheet date the amount due to Robert Lavery was £40,340 (2014: £2,162).

Other related party transactions:

S.E. Marshall and Co Limited

(The directors R Lavery, E Conroy and J McVeigh are common to both Westland Horticulture Limited and S.E. Marshall and Co Limited)

Westland Horticulture Limited had purchases of £1,060 (2014: £21,220) from and sales of £341,831 (2014: £359,837) to, and an intercompany loan with S.E Marshall and Co Limited. At the balance sheet date the amount due to S.E.Marshall and Co Limited was £962,091 (2014: £630,300) and the amount due from S.E. Marshall and Co Limited was £94,384 (2014: £37,657).

Birds and Bees Limited

(The director, E Conroy, is common to both Westland Horticulture Limited and Birds and Bees Limited)

Westland Horticulture Limited had sales of £nil (2014: £85,952) to, and a loan to Birds and Bees Limited. At the balance sheet date the amount due from Birds and Bees Limited was £22,707 (2014: £30,900).

26 Ultimate controlling parties

The ultimate controlling party are the directors who own 100% of the called up share capital.

27 Non-controlling interest

	£
At 29 December 2014	(66,089)
Minority interest share of loss in a subsidiary undertaking	(161,353)
At 30 August 2015	(227,442)

28 Pension obligations

The group operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £365,823 (2014: £393,844).

Contributions totaling £64,167 (2014: £44,699) were payable to the scheme at the end of the year and are included in creditors.

Notes to the financial statements for the 8 month period ended 30 August 2015

29 Business combinations

Group

On 31 July 2015, the Group acquired the trade and specific assets of William Sinclair PLC for total consideration of £13,500,005. William Sinclair PLC operates in the same industry as Westland Horticulture Limited, and through the acquisition of their trade and assets, Westland Horticulture hope to expand their market share within this industry.

The negative goodwill of £420,920 arising from the acquisition represents the excess of fair value of the assets acquired over the cost of the business combination. The negative goodwill is written back to the profit and loss account over a period of 10 years.

The following table summarises the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

	£
Cash	12,150,005
Deferred consideration	1,350,000
Total consideration	13,500,005

Recognised amounts of identifiable assets acquired and liabilities assumed

		Book values £	Adjustments £	Fair value £
Property, plant and equipment	(a)	21,636,997	(12,909,992)	8,727,005
Intangible assets	(b)	-	420,920	420,920
Stocks	(c)	8,022,090	(3,249,090)	4,773,000
Total identifiable net assets		29,659,087	(15,738,162)	13,920,925
Negative Goodwill				(420,920)
Total				13,500,005

The adjustments arising on acquisition were in respect of the following:

- (a) The decrease in property, plant and equipment to a third party valuation on acquisition.
- (b) The recognition of intangible assets in respect of the customer relationships acquired and the J Arthur Bowers and Deadfast brands and associated trademarks.
- (c) An impairment charge in respect of certain of the acquired stock.

The deferred consideration was paid in November 2015. The amount has not been discounted, as discounting is not material.

The revenue from the trade and assets of William Sinclair PLC included in the consolidated income statement for 2015 was £1,274,586 and also contributed losses of £785,634 over the same period.

Notes to the financial statements for the 8 month period ended 30 August 2015

29 Business combinations (continued)

On 31 March 2015, the Group acquired Westland SPZoo for total consideration of £1,700. Westland SPZoo operates in the same industry as Westland Horticulture Limited, and through the company, Westland Horticulture hope to expand their market share within this industry.

The negative goodwill of £350,604 arising from the acquisition represents the excess of fair value of the assets acquired over the cost of the business combination. The negative goodwill is written back to the profit and loss account over a period of 10 years. The following table summarises the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book values £	Adjustments £	Fair value £
Stocks	89,127	-	89,127
Cash and cash equivalents	72,386	-	72,386
Trade and other receivables	202,840	-	202,840
Trade and other payables	(12,049)	-	(12,049)
Total identifiable net assets	352,304	-	352,304
Negative Goodwill			(350,604)
Total consideration			1,700

There are no differences in the book value and fair value of any assets or liabilities acquired on acquisition.

30 Transition to FRS 102

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 28 December 2014. The date of transition to FRS 102 was 1 January 2014. 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.