

Company Registration No. 03089071 (England and Wales)

QUORN COUNTRY FOODS LIMITED
T/A QUORNDON FLAPJACK COMPANY, QUORNDON MUFFIN COMPANY
AND QUORNDON CAKE COMPANY
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

**QUORN COUNTRY FOODS LIMITED
T/A QUORNDON FLAPJACK COMPANY, QUORNDON MUFFIN COMPANY
AND QUORNDON CAKE COMPANY
COMPANY INFORMATION**

Directors	Mr G J York Mrs P R York Mrs C J Haggis Mr D J Ralph Mr D Spray
Secretary	Mr D Spray
Company number	03089071
Registered office	Quorn House Comet Way Hermitage Industrial Estate Coalville Leics LE67 3FS
Accountants	Clear & Lane Limited 340 Melton Road Leicester LE4 7SL
Business address	Quorn House Comet Way Hermitage Industrial Estate Coalville Leics LE67 3FS

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QUORN COUNTRY FOODS LIMITED
T/A QUORNDON FLAPJACK COMPANY, QUORNDON MUFFIN COMPANY
AND QUORNDON CAKE COMPANY
BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		686,455		748,055
Investments	5		-		42,500
			<u>686,455</u>		<u>790,555</u>
Current assets					
Stocks		349,783		316,549	
Debtors	6	2,952,801		2,865,115	
Cash at bank and in hand		655		13,768	
		<u>3,303,239</u>		<u>3,195,432</u>	
Creditors: amounts falling due within one year	7	<u>(1,648,816)</u>		<u>(1,844,501)</u>	
Net current assets			1,654,423		1,350,931
Total assets less current liabilities			<u>2,340,878</u>		<u>2,141,486</u>
Creditors: amounts falling due after more than one year	8		(36,514)		(46,088)
Provisions for liabilities			<u>(19,000)</u>		<u>(36,000)</u>
Net assets			<u>2,285,364</u>		<u>2,059,398</u>
Capital and reserves					
Called up share capital			50,000		50,000
Profit and loss reserves			<u>2,235,364</u>		<u>2,009,398</u>
Total equity			<u>2,285,364</u>		<u>2,059,398</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

**QUORN COUNTRY FOODS LIMITED
T/A QUORNDON FLAPJACK COMPANY, QUORNDON MUFFIN COMPANY
AND QUORNDON CAKE COMPANY
BALANCE SHEET (CONTINUED)**

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 25 August 2017 and are signed on its behalf by:

Mr G J York
Director

Mrs C J Haggis
Director

Company Registration No. 03089071

QUORN COUNTRY FOODS LIMITED
T/A QUORNDON FLAPJACK COMPANY, QUORNDON MUFFIN COMPANY
AND QUORNDON CAKE COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Quorn Country Foods Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quorn House, Comet Way, Hermitage Industrial Estate, Coalville, Leics, LE67 3FS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Quorn Country Foods Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts and is recognised upon despatch.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line basis
Leasehold buildings	2% straight line basis
Plant and machinery	10% / 25% straight line basis
Fixtures and fittings	10% / 15% straight line basis
Motor vehicles	25% straight line basis

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1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

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

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FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future. The deferred tax balance is not discounted.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 74 (2015-73.).

3 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	43,382	82,500
Adjustments in respect of prior periods	16,161	45,848
Total current tax	<u>59,543</u>	<u>128,348</u>
Deferred tax		
Origination and reversal of timing differences	<u>(17,000)</u>	<u>26,225</u>
Total tax charge	<u>42,543</u>	<u>154,573</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

4 Tangible fixed assets						
	Freehold buildings £	Leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2016	404,232	132,841	1,441,870	207,268	97,487	2,283,698
Additions	-	-	34,350	2,777	64,983	102,110
Disposals	-	-	(3,500)	-	(67,235)	(70,735)
At 31 December 2016	404,232	132,841	1,472,720	210,045	95,235	2,315,073
Depreciation and impairment						
At 1 January 2016	74,785	24,577	1,173,324	207,053	55,904	1,535,643
Depreciation charged in the year	10,106	3,321	101,686	636	22,748	138,497
Eliminated in respect of disposals	-	-	(3,500)	-	(42,022)	(45,522)
At 31 December 2016	84,891	27,898	1,271,510	207,689	36,630	1,628,618
Carrying amount						
At 31 December 2016	319,341	104,943	201,210	2,356	58,605	686,455
At 31 December 2015	329,447	108,264	268,546	215	41,583	748,055

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5 Fixed asset investments

	2016 £	2015 £
Investments	-	42,500
	<u> </u>	<u> </u>

The investments are valued at cost as there is no market value for them.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2016 & 31 December 2016	42,500
	<u> </u>
Impairment	
At 1 January 2016	-
Impairment losses	42,500
	<u> </u>
At 31 December 2016	42,500
	<u> </u>
Carrying amount	
At 31 December 2016	-
	<u> </u>
At 31 December 2015	42,500
	<u> </u>

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	100	130
Amounts due from fellow group undertakings	2,889,242	2,793,908
Other debtors	41,295	47,368
Prepayments and accrued income	22,164	23,709
	<u> </u>	<u> </u>
	2,952,801	2,865,115
	<u> </u>	<u> </u>

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7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	345	-
Obligations under finance leases	43,575	55,748
Trade creditors	421,226	439,857
Amounts due to parent company	789,815	734,989
Corporation tax	58,407	131,704
Other taxation and social security	33,165	17,554
Other creditors	14,778	-
Accruals and deferred income	287,505	464,649
	1,648,816	1,844,501

Obligations under finance leases are secured upon the assets concerned.

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance leases	36,514	46,088

Obligations under finance leases are secured on the assets concerned.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2016	2015
£	£
581,765	434,445

The above commitments represent the total rentals due on the companies leasehold properties. The annual commitment on each property ranges from £15,000 - £30,000. All leases expires within the next 8-9 years.

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