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Company registration number: 01805834

Tims Dairy Limited

Financial statements

30 April 2018



Tims Dairy Limited

Contents

	Page
Directors and other information	1
Strategic report	2 - 3
Directors report	4 - 5
Independent auditor's report to the members	6 - 8
Income statement	9
Statement of income and retained earnings	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 24
The following do not form part of the Statutory Financial Statements	
Combined detailed income statement	25 - 26

Tims Dairy Limited

Directors and other information

Directors	Chris Timotheou Peter Timotheou
Secretary	Chris Timotheou
Company number	01805834
Registered office	Anglo House Bell Lane Office Village Bell Lane Little Chalfont Buckinghamshire HP6 6FA
Auditor	ALG Chartered Certified Accountants Statutory Auditors 1324-1326 High Road London N20 9HJ

Tims Dairy Limited

Strategic report Year ended 30 April 2018

Review of the Business

The principal activity of the Company during the year under review was that of producers and distributors of yoghurt and cultured milk products.

The Company has for many years operated predominantly in the food service market supplying wholesale customers with yogurts and other cultured milk products, though recently the Company has been supplying the retail market as well. Sales in 2017/18 have continued to grow to £10.9m an increase of 3.8% over the previous year. Continued sales growth resulted from increased business with existing customers and also from new customers. During the previous year the volatility of the wholesale markets, notably cream, resulted in a large increase in the cost of some raw materials and a significant reduction in the gross profit percentage from 29.04% (2016) to 19.63% (2017). During the 2017/18 year the company instigated its long held plans to develop the factory site at Mopes Farm and to extend the Dairy's capacity. This £3 million expansion was funded by a combination of loans, lease finance and working capital and started in August 2017 and continued through to March 2018. The disruption to existing business was kept to a minimum with very careful management of the project and the close involvement of the directors resulting in a slightly increased gross profit at 20.33%. Overheads were also carefully managed to minimise avoidable increases but rose from £1.71m to £1.85m resulting in a profit before tax of £365k compared to £359k last year. The Directors are satisfied with this result under the circumstances and believe that further sales growth will be achieved in the new business year with the increased capacity. They continue to look for various ways to reduce and also hedge their risk on the purchase of raw materials and also to continue to look for improvements from more efficient use of resources and cost reductions.

Principal risks and uncertainties

The Directors and senior executives review the inherent risks in the business on a monthly basis and take appropriate action.

Competitive risks: The Company operates in an extremely competitive market and therefore ensures that there is a close working relationship with both large and small customers. This is underpinned by regular reviews of trading performance with customers and taking a pro-active approach to issues as they arise.

Food Hygiene and Health & Safety risks: The Company has assessed risks in all key areas and has established appropriate procedures to ensure that there is appropriate quality control during all stages of the production process. Similarly, appropriate Health & Safety procedures are in place. These procedures are regularly tested by the technical department in the Company but also by external audits and reviews commissioned both by customers and trade bodies such as the British Retail Consortium (BRC) with whom the Company has consistently achieved the highest accreditation in recent years.

Purchasing risks: Milk and cream, the principal raw materials, are commodity products the price of which fluctuate depending on market conditions. In order to minimise the risk of mismatched costs to selling prices, the Company negotiates prices for milk and cream from our loyal milk processors on a short to medium term basis based on farmgate prices for the anticipated requirements for the 12 months ahead. However, since July 2016 the industry has been faced with unprecedented shortages in milk production and escalating prices in the cream market. Forward market conditions are anticipated to be more stable, albeit at a higher base price.

Cash flow risk: The principal wholesale and retail customers have extremely strong credit ratings and the likelihood of non-collection due to their failure is minimal. However, they have used their strong ratings to obtain slightly extended credit terms which require an element of financing. This financing is obtained through an overdraft working capital facility from the Company's Bankers.

Tims Dairy Limited

Strategic report (continued)
Year ended 30 April 2018

This report was approved by the board of directors on 23 October 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Chris Timotheou', written over a horizontal line.

Chris Timotheou
Director

Tims Dairy Limited

Directors report Year ended 30 April 2018

The directors present their report and the financial statements of the company for the year ended 30 April 2018. The principal activity of the company during the year was that of a Dairy.

Directors

The directors who served the company during the year were as follows:

Chris Timotheou
Peter Timotheou

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

The company is expanding its factory premises to meet expected future demand and the directors expect the year on year increase in sales to continue.

Financial instruments

The company's principal financial instruments comprise bank balances, bank loans, finance leases, trade creditors and trade debtors. Trade debtors are strictly controlled and bad debts are kept to a minimum by regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information in the strategic report.

The business review and details of principal risks and uncertainties are now included in the separate Strategic Report on page 2.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tims Dairy Limited

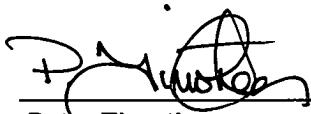
**Directors report (continued)
Year ended 30 April 2018**

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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 auditor is aware of that information.

This report was approved by the board of directors on 23 October 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Peter Timotheou', is written over a horizontal line.

Peter Timotheou
Director

Tims Dairy Limited

Independent auditor's report to the members of Tims Dairy Limited Year ended 30 April 2018

Opinion

We have audited the financial statements of Tims Dairy Limited for the year ended 30 April 2018 which comprise the income statement, statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Tims Dairy Limited

Independent auditor's report to the members of Tims Dairy Limited (continued) Year ended 30 April 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Tims Dairy Limited

**Independent auditor's report to the members of
Tims Dairy Limited (continued)
Year ended 30 April 2018**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



George Panos Michaelides FCCA (Senior Statutory Auditor)

**For and on behalf of
ALG**

**Chartered Certified Accountants and Statutory Auditors
1324-1326 High Road
London
N20 9HJ**

Date..... 5 / 11 / 18

Tims Dairy Limited
Income statement
Year ended 30 April 2018

	Note	2018 £	2017 £
Turnover	4	10,901,080	10,503,854
Cost of sales		(8,685,285)	(8,441,794)
Gross profit		2,215,795	2,062,060
Distribution costs		(728,178)	(598,817)
Administrative expenses		(1,087,804)	(1,095,815)
Operating profit	5	399,813	367,428
Other interest receivable and similar income	8	591	3,050
Interest payable and similar expenses	9	(34,900)	(11,446)
Profit before taxation		365,504	359,032
Tax on profit	10	(16,490)	(31,819)
Profit for the financial year		349,014	327,213

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 13 to 24 form part of these financial statements.

Tims Dairy Limited

**Statement of income and retained earnings
Year ended 30 April 2018**

	2018 £	2017 £
Profit for the year	349,014	327,213
Dividends declared and paid or payable during the year	(288,000)	(288,000)
Retained earnings at the start of the year	<u>3,223,214</u>	<u>3,184,001</u>
Retained earnings at the end of the year	<u><u>3,284,228</u></u>	<u><u>3,223,214</u></u>

Tims Dairy Limited

**Statement of financial position
30 April 2018**

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	5,755,158		3,061,273	
			5,755,158		3,061,273
Current assets					
Stocks	13	269,975		272,949	
Debtors	14	1,424,497		1,564,422	
Cash at bank and in hand		47,259		515,357	
		1,741,731		2,352,728	
Creditors: amounts falling due within one year	16	(1,511,246)		(1,719,322)	
Net current assets			230,485		633,406
Total assets less current liabilities			5,985,643		3,694,679
Creditors: amounts falling due after more than one year	17		(2,428,561)		(190,075)
Provisions for liabilities	19		(236,854)		(245,390)
Net assets			3,320,228		3,259,214
Capital and reserves					
Called up share capital	23		36,000		36,000
Profit and loss account	24		3,284,228		3,223,214
Shareholders funds			3,320,228		3,259,214

These financial statements were approved by the board of directors and authorised for issue on 23 October 2018, and are signed on behalf of the board by:



Chris Timotheou
Director

Company registration number: 01805834

The notes on pages 13 to 24 form part of these financial statements.

Tims Dairy Limited

**Statement of cash flows
Year ended 30 April 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the financial year		349,014	327,213
<i>Adjustments for:</i>			
Depreciation of tangible assets		357,074	363,840
Other interest receivable and similar income		(591)	(3,050)
Interest payable and similar expenses		34,900	11,446
Tax on profit		16,490	31,819
Accrued expenses/(income)		(27,547)	14,977
<i>Changes in:</i>			
Stocks		2,974	(18,723)
Trade and other debtors		139,925	(290,505)
Trade and other creditors		(250,182)	378,197
Cash generated from operations		622,057	815,214
Interest paid		(34,900)	(11,446)
Interest received		591	3,050
Tax paid		(33,128)	(158,583)
Net cash from operating activities		<u>554,620</u>	<u>648,235</u>
Cash flows from investing activities			
Purchase of tangible assets		(3,050,959)	(838,062)
Net cash used in investing activities		<u>(3,050,959)</u>	<u>(838,062)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,791,713	(36,415)
Payment of finance lease liabilities		540,572	(150,368)
Equity dividends paid		(288,000)	(288,000)
Net cash from/(used in) financing activities		<u>2,044,285</u>	<u>(474,783)</u>
Net increase/(decrease) in cash and cash equivalents		(452,054)	(664,610)
Cash and cash equivalents at beginning of year	15	377,669	1,042,279
Cash and cash equivalents at end of year	15	<u>(74,385)</u>	<u>377,669</u>

Tims Dairy Limited

Notes to the financial statements Year ended 30 April 2018

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Anglo House, Bell Lane Office Village, Bell Lane, Little Chalfont, Buckinghamshire, HP6 6FA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity. The figures are rounded to the nearest pound.

Turnover

Turnover represents the total invoice value, excluding value added tax and trade discounts, of sales made during the year and is recognised on despatch of the goods and includes provision for amounts not yet invoiced for work completed at the year end. This provision is included under accrued income.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tims Dairy Limited

Notes to the financial statements (continued) **Year ended 30 April 2018**

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 2%	straight line
Short leasehold property	-	Over life of lease
Plant and machinery	- 15%	reducing balance
Motor vehicles	- 25%	reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Tims Dairy Limited

Notes to the financial statements (continued) Year ended 30 April 2018

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

4. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK. During the course of the financial year the company has carried on business of more than two classes that in the opinion of the directors, differ substantially from each other. The turnover attributed to these different classes has not been disclosed because in the opinion of the directors to do so would be seriously prejudicial to the interests of the company.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	357,074	363,840
Impairment of trade debtors	(5,820)	10,041
Operating lease rentals	82,658	84,000
Fees payable for the audit of the financial statements	6,000	6,000
	<u> </u>	<u> </u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Employees	71	69
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	1,756,170	1,708,465
Social security costs	161,098	151,981
Other pension costs	15,560	14,112
	<u>1,932,828</u>	<u>1,874,558</u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	42,466	40,511
Company contributions to pension schemes in respect of qualifying services	172	160
	<u>42,638</u>	<u>40,671</u>

8. Other interest receivable and similar income

	2018	2017
	£	£
Bank deposits	<u>591</u>	<u>3,050</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Bank loans and overdrafts	21,931	2,922
Other loans made to the company:		
Finance leases and hire purchase contracts	12,969	8,524
	<u>34,900</u>	<u>11,446</u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

10. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	25,026	33,128
Adjustments in respect of previous periods	-	(199)
	<u> </u>	<u> </u>
Deferred tax:		
Origination and reversal of timing differences	(8,536)	(1,110)
	<u> </u>	<u> </u>
Tax on profit	<u>16,490</u>	<u>31,819</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%).

	2018	2017
	£	£
Profit before taxation	365,504	359,032
	<u> </u>	<u> </u>
Profit multiplied by rate of tax	69,446	68,216
Adjustments in respect of prior periods	-	(199)
Effect of expenses not deductible for tax purposes	126	127
Effect of capital allowances and depreciation	(11,062)	(3,363)
Change in tax rate	-	1,526
R & D enhanced tax credit relief	(33,484)	(33,378)
Deferred tax	(8,536)	(1,110)
	<u> </u>	<u> </u>
Tax on profit	<u>16,490</u>	<u>31,819</u>

11. Dividends

Equity dividends

	2018	2017
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	288,000	288,000
	<u> </u>	<u> </u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

12. Tangible assets

	Freehold and leasehold properties £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 May 2017	1,357,932	3,838,546	272,382	5,468,860
Additions	2,481,901	569,058	-	3,050,959
At 30 April 2018	<u>3,839,833</u>	<u>4,407,604</u>	<u>272,382</u>	<u>8,519,819</u>
Depreciation				
At 1 May 2017	407,656	1,899,424	100,507	2,407,587
Charge for the year	43,892	270,213	42,969	357,074
At 30 April 2018	<u>451,548</u>	<u>2,169,637</u>	<u>143,476</u>	<u>2,764,661</u>
Carrying amount				
At 30 April 2018	<u>3,388,285</u>	<u>2,237,967</u>	<u>128,906</u>	<u>5,755,158</u>
At 30 April 2017	<u>950,276</u>	<u>1,939,122</u>	<u>171,875</u>	<u>3,061,273</u>

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £
At 30 April 2018	<u>471,649</u>	<u>128,095</u>
At 30 April 2017	<u>132,607</u>	<u>170,433</u>

13. Stocks

	2018 £	2017 £
Raw materials	183,648	195,193
Finished goods	86,327	77,756
	<u>269,975</u>	<u>272,949</u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

14. Debtors

	2018	2017
	£	£
Trade debtors	1,236,852	1,354,291
Prepayments and accrued income	147,754	151,717
Other debtors	39,891	58,414
	<u>1,424,497</u>	<u>1,564,422</u>

15. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	47,259	515,357
Bank overdrafts	(121,644)	(137,688)
	<u>(74,385)</u>	<u>377,669</u>

16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	167,761	151,386
Trade creditors	832,697	1,082,421
Accruals and deferred income	220,891	248,438
Corporation tax	25,026	33,128
Social security and other taxes	36,897	37,355
Obligations under finance leases	139,840	100,000
Director loan accounts	88,134	66,594
	<u>1,511,246</u>	<u>1,719,322</u>

The bank loans are secured by a fixed charge over the company's land and buildings and by a debenture over its assets and undertakings and by a supported guarantee from the directors.

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

17. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	1,881,583	143,829
Obligations under finance leases	546,978	46,246
	<u>2,428,561</u>	<u>190,075</u>

The bank loans are secured by a fixed charge over the company's land and buildings and by a debenture over its assets and undertakings plus a supported guarantee from the directors.

The new £1,800,000 bank loan in the year is repayable in 2021 and interest is charged at 2.8% above the banks base rate. The older bank loan is due for repayment in 2029 and the rate of interest charged is 1.275% above the banks base rate per annum.

Included within creditors: amounts falling due after more than one year is an amount of £ 71,773 (2017 £ 89,037) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

18. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2018	2017
	£	£
Not later than 1 year	157,335	106,232
Later than 1 year and not later than 5 years	456,053	48,411
Later than 5 years	177,078	-
	<u>790,466</u>	<u>154,643</u>
Less: future finance charges	(103,648)	(8,397)
Present value of minimum lease payments	<u>686,818</u>	<u>146,246</u>

19. Provisions

	Deferred tax (note 20)	Total
	£	£
At 1 May 2017	245,390	245,390
Additions	(8,536)	(8,536)
At 30 April 2018	<u>236,854</u>	<u>236,854</u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 19)	236,854	245,390
	<u>236,854</u>	<u>245,390</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	236,854	245,390
	<u>236,854</u>	<u>245,390</u>

21. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £15,560 (2017: £14,112).

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	1,236,852	1,354,291
Cash at bank and in hand	47,259	515,357
	<u>1,284,111</u>	<u>1,869,648</u>
Financial liabilities measured at amortised cost		
Bank and other loans	2,736,162	441,461
Trade creditors	832,697	1,082,421
Other creditors	88,134	66,594
	<u>3,656,993</u>	<u>1,590,476</u>

23. Called up share capital
Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares of £ 1.00 each	36,000	36,000	36,000	36,000

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

24. Reserves

Retained reserves represent distributable profits of £3,284,228 (2017: £3,223,214).

25. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Not later than 1 year	84,000	86,860
Later than 1 year and not later than 5 years	336,000	336,000
Later than 5 years	798,000	280,000
	<u>1,218,000</u>	<u>702,860</u>

26. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2018			
	Balance brought forward £	Advances /(credits) to the directors £	Amounts repaid £	Balance o/standing £
Chris Timotheou	(65,547)	144,523	(165,600)	(86,624)
Peter Timotheou	(1,047)	121,937	(122,400)	(1,510)
	<u>(66,594)</u>	<u>266,460</u>	<u>(288,000)</u>	<u>(88,134)</u>
	2017			
	Balance brought forward £	Advances /(credits) to the directors £	Amounts repaid £	Balance o/standing £
Chris Timotheou	(64,284)	164,337	(165,600)	(65,547)
Peter Timotheou	(1,113)	122,466	(122,400)	(1,047)
	<u>(65,397)</u>	<u>286,803</u>	<u>(288,000)</u>	<u>(66,594)</u>

Tims Dairy Limited

Notes to the financial statements (continued)
Year ended 30 April 2018

27. Related party transactions

The company pays rent to the directors in respect of premises owned by them and occupied by the company. Rent paid during the year amounted to £84,000 (2017: £84,000). The directors have also given a supported personal guarantee to the company's bankers.

28. Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. This is only deemed to be the directors therefore the total compensation paid to key management personnel for services provided to the company was £42,466 (2017: £40,511).

29. Controlling party

Chris Timotheou, a director, controls the company as a result of controlling directly 57.5% of the issued ordinary share capital.