

Registration number: 1008747

**PUKKA PIES LIMITED**  
**FINANCIAL STATEMENTS**  
**26 MAY 2014**



**PUKKA PIES LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

**Business review**

The directors consider that the company's business has continued to operate satisfactorily and believe that a strong platform is in place to allow for sustained growth within the industry. Their focus continues to be to meet the needs of the customer base by delivering superior quality product offering excellent value for money with best-in industry service levels.

As a result turnover increased from £40.297m to £43.913m. Cost of sales rose from £24.991m to £25.901m. Gross profit margin also rose from 38.0% to 41.0%. The operating margin increased by 1.2% to 10.0%.

At the close of the financial year the company had shareholder funds of £29,702,190, an increase of £2,772,483 over the prior year.

**Financial risk management objectives and policies**

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The purpose of these instruments is to finance the company's operations.

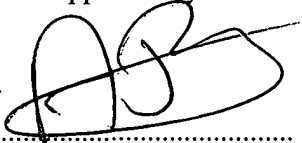
In respect of bank balances, the liquidity risk is managed by maintaining a healthy cash balance throughout the year. All of the company's cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the Board on 28 October 2014 and signed on its behalf by

A. J. Storer



.....  
Secretary

**PUKKA PIES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

The directors present their report and the financial statements for the year ended 26 May 2014.

**Principal activity and review of the business**

The principal activity of the company is pie manufacturing. The company has had another satisfactory year. The trend of increasing turnover has continued again this year. The company has continued to build brand awareness and the directors expect the business to grow over the coming years.

**Food safety**

The directors, management and all employees make food safety their first priority. The company operates from state of the art premises and maintains BS/EN/ISO 9001:2008 accreditation; is accredited by EFSIS to the Grade 'A' BRC global standard for food; and operates HACCP across all product lines. The onsite microbiological laboratory is also independently accredited by CLAS. Following government nutritional and health guidelines, the company actively researches and improves recipes, with only the most carefully selected quality ingredients being used.

**Employment**

Pukka Pies Limited actively embraces a positive and up to date approach to continuing improvement in the safety of the work place as well as the health of its employees. Risk assessments are used proactively as part of a fully integrated Health and Safety management and control system. A professionally trained and qualified Health and Safety manager oversees the operation together with the directors' personal involvement.

The company reviews pay annually and also pays an annual bonus to all employees from the ongoing success of the business. Job security remains a central objective of the company having never made any redundancies in its entire trading history.

The company is committed to equality of opportunity in all its employment practices, policies and procedures. This means that no employee, or potential employee, will receive less favourable treatment due to their gender, marital status, race, disability, political or religious beliefs.

**Environmental**

Pukka Pies Limited has for many years emphasised: waste reduction; energy efficiency; minimisation of packaging; recycling and emission control. Significant gains have been made in all areas and each year we pursue further improvement.

**Customers**

In keeping with Pukka Pies Limited's founding principles, the company remains focused on producing superior products coupled with outstanding customer service whilst offering excellent value for money. The company makes sure it fulfils its customer orders unfailingly and remains customer focused. Customers are also supported with a comprehensive sales and marketing package along with technical information and advice.

**PUKKA PIES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

**Suppliers**

Pukka Pies Limited has a strong ethical focus on selecting and dealing with suppliers. Company policy is to settle suppliers' accounts within seven days of invoice receipt. Pukka Pies Limited buys on quality, service and price.

**Charity policy**

Pukka Pies Limited's charity policy is to support local registered charities operating in the immediate vicinity of the business.

In particular, supporting local young people in sport and outdoor healthy activities are areas of special emphasis.

**Charitable donations**

During the year the company contributed £15,453 to charities.

In addition to monetary donations the company has donated in excess of 62,000 pies and pasties through the Fare Share network. Fare Share redistribute surplus food from the UK food industry to charities and community groups who otherwise would be buying this food.

**Website**

Pukka Pies Limited's website covers all the above policies in more detail along with a full description of the company and products.

**Results and dividends**

The profit for the year, after taxation, amounted to £3,321,483. Particulars of dividends paid are detailed in the notes to the financial statements.

**Directors**

The directors who served during the year are as stated below:

T. K. Storer                    (deceased 31 July 2013)  
V. C. Storer  
A. J. Storer  
T. D. Storer

**PUKKA PIES LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

**Statement of directors' responsibilities**

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as the directors are aware:


- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Robert Whowell & Partners are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 28 October 2014 and signed on its behalf by

A. J. Storer



.....  
Secretary

**PUKKA PIES LIMITED**  
**AUDITORS' REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

**Independent auditors' report to the shareholders of  
Pukka Pies Limited**

We have audited the financial statements of Pukka Pies Limited for the year ended 26 May 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement set out in the directors' report on pages 2 - 4, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 May 2014 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.

**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 year for which the financial statements are prepared is consistent with the financial statements.

**PUKKA PIES LIMITED**  
**AUDITORS' REPORT**  
**FOR THE YEAR ENDED 26 MAY 2014**

**Independent auditors' report to the shareholders of  
Pukka Pies Limited**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....  
Jason Whowell BSc FCA  
Senior statutory auditor  
for and on behalf of  
**ROBERT HOWELL & PARTNERS**

**CHARTERED ACCOUNTANTS  
STATUTORY AUDITORS**

Westwood House  
78 Loughborough Road  
Quorn  
Leicestershire  
LE12 8DX

28 October 2014

**PUKKA PIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 26 MAY 2014**

		<b>Continuing operations</b>	
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	43,913,254	40,296,708
Cost of sales		(25,901,445)	(24,991,325)
<b>Gross profit</b>		18,011,809	15,305,383
Administrative expenses		(13,730,414)	(11,791,915)
Other operating income		102,095	35,559
<b>Operating profit</b>	<b>3</b>	4,383,490	3,549,027
Other interest receivable and similar income	<b>5</b>	36,501	89,430
Interest payable and similar charges	<b>6</b>	(3,881)	-
<b>Profit on ordinary activities before taxation</b>		4,416,110	3,638,457
Tax on profit on ordinary activities	<b>9</b>	(1,094,627)	(892,160)
<b>Profit for the year</b>	<b>18</b>	3,321,483	2,746,297
<b><u>Statement of total recognised gains and losses</u></b>			
<b>Profit on ordinary activities after taxation</b>		3,321,483	2,746,297
Actuarial gain in respect of defined benefit pension scheme		1,854,000	(675,000)
Deferred taxation attributable to actuarial (gain)/loss		(403,000)	142,000
<b>Total recognised gains since last annual report</b>		4,772,483	2,213,297

The notes on pages 10 to 21 form an integral part of these financial statements.

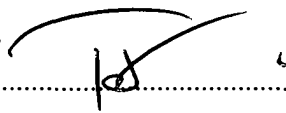


**PUKKA PIES LIMITED**

**BALANCE SHEET**  
**AS AT 26 MAY 2014**

		2014		2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		18,323,454		18,748,950
<b>Current assets</b>					
Stocks	12	2,226,069		3,129,111	
Debtors	13	5,047,956		3,811,373	
Cash at bank and in hand		6,408,069		4,768,182	
		<u>13,682,094</u>		<u>11,708,666</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,556,358)</u>		<u>(1,457,909)</u>	
<b>Net current assets</b>			<u>12,125,736</u>		<u>10,250,757</u>
<b>Total assets less current liabilities</b>			30,449,190		28,999,707
<b>Provisions for liabilities</b>	15		(640,000)		(670,000)
<b>Pension liability</b>	20		<u>(107,000)</u>		<u>(1,400,000)</u>
<b>Net assets</b>			<u><u>29,702,190</u></u>		<u><u>26,929,707</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		50,000		50,000
Revaluation reserve	18		2,451,134		2,451,134
Profit and loss account	18		27,201,056		24,428,573
<b>Shareholders' funds</b>	19		<u><u>29,702,190</u></u>		<u><u>26,929,707</u></u>

These financial statements were approved and authorised for issue by the Board on 28 October 2014 and are signed on its behalf by:

T. D. Storer 

.....  
Director

Registration number: 1008747

The notes on pages 10 to 21 form an integral part of these financial statements.

**PUKKA PIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 26 MAY 2014**

	Notes	2014 £	2013 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		4,383,490	3,549,027
Depreciation		1,362,759	1,433,999
Decrease in stocks		903,042	209,747
(Increase) in debtors		(1,236,583)	(327,213)
(Decrease) in creditors		(6,686)	(138,160)
Defined benefit pension scheme provision		128,000	54,000
<b>Net cash inflow from operating activities</b>		<u>5,534,022</u>	<u>4,781,400</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		5,534,022	4,781,400
Returns on investments and servicing of finance	22	62,620	56,430
Taxation	22	(1,019,492)	(973,418)
Capital expenditure	22	(937,263)	(406,880)
		<u>3,639,887</u>	<u>3,457,532</u>
Equity dividends paid		(2,000,000)	(2,000,000)
<b>Increase in cash in the year</b>		<u>1,639,887</u>	<u>1,457,532</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 23)</b>			
<b>Increase in cash in the year</b>		1,639,887	1,457,532
<b>Net debt at 28 May 2013</b>		<u>4,768,182</u>	<u>3,310,650</u>
<b>Net debt at 26 May 2014</b>		<u>6,408,069</u>	<u>4,768,182</u>

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

The company has consistently applied all relevant accounting standards.

**1.2. Turnover**

Turnover represents the total invoice value (net of trade discounts), excluding value added tax, of sales made during the year.

**1.3. Research and development**

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

**1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	-	2% on cost or valuation for buildings only
Fixtures, fittings and equipment	-	15% to 30% on net book value and 20% on cost
Motor vehicles	-	25% on net book value

The directors have adopted FRS 15 in relation to the revaluation of land and buildings. It is now company policy to carry out full valuations of these assets every five years with interim valuations in the intervening years. An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

**1.5. Stock**

Stock is valued at the lower of cost and net realisable value.

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

**1.6. Pensions and other post-retirement benefits**

**Money Purchase Scheme**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

**Defined Benefit Scheme**

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using an AA corporate bond rate.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit liability is offset against the defined benefit liability and not included with other deferred tax assets or liabilities.

**1.7. Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

<b>2. <u>Turnover</u></b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Geographical market</b>		
UK	43,523,621	39,922,096
Europe	317,842	267,393
Rest of the World	71,791	107,219
	<u>43,913,254</u>	<u>40,296,708</u>
<b>3. <u>Operating profit</u></b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation and other amounts written off tangible assets	1,373,743	1,422,238
Loss on disposal of tangible fixed assets	-	11,761
Research and development		
- expenditure in current year	78,206	14,289
Auditors' remuneration (Note 4)	16,500	16,990
Auditors' remuneration from non-audit work (Note 4)	53,028	43,208
	<u>10,984</u>	<u>-</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>10,984</u>	<u>-</u>
<b>4. <u>Auditors' remuneration</u></b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	<u>16,500</u>	<u>16,990</u>
Auditors' remuneration - other fees:		
- audit of company pension scheme	150	130
- taxation compliance services	9,173	5,669
- services relating to recruitment and remuneration	5,855	7,742
- accountancy and management information	34,600	29,667
- advice re costing system	3,250	-
	<u>53,028</u>	<u>43,208</u>
<b>5. <u>Interest receivable and similar income</u></b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	66,501	56,430
Net finance income in respect of defined benefit scheme	(30,000)	33,000
	<u>36,501</u>	<u>89,430</u>

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

<b>6. <u>Interest payable and similar charges</u></b>	<b>2014</b>	<b>2013</b>
	£	£
On overdue corporation tax	3,881	-
	<u>          </u>	<u>          </u>
<b>7. <u>Employees</u></b>		
<b>Number of employees</b>	<b>2014</b>	<b>2013</b>
The average monthly numbers of employees (including the directors) during the year were:	<b>Number</b>	<b>Number</b>
Staff	298	286
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	£	£
Wages and salaries	8,088,663	7,691,378
Social security costs	742,608	718,337
Pension costs	668,814	441,407
	<u>          </u>	<u>          </u>
Staff costs-operating charges	9,500,085	8,851,122
Pension costs-net finance cost/income	30,000	(33,000)
	<u>          </u>	<u>          </u>
	9,530,085	8,818,122
	<u>          </u>	<u>          </u>
<b>7.1. <u>Directors' remuneration</u></b>	<b>2014</b>	<b>2013</b>
	£	£
Remuneration and other emoluments	711,735	807,079
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a defined benefit scheme	2	2
	<u>          </u>	<u>          </u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	274,312	239,574
	<u>          </u>	<u>          </u>

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

**8. Pension costs**

The company operates a money purchase pension scheme in respect of certain members of staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £118,305 (2013 - £106,820).

The company also operates a defined benefit scheme for the directors and staff. The assets of the scheme are held separately from those of the company in independently administered funds. For further information see note 20.

**9. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax at 22.68% (2013 - 23.84%)	1,063,678	962,160
Adjustments in respect of previous periods	60,949	-
Total current tax charge	<u>1,124,627</u>	<u>962,160</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	30,000	(40,000)
Effect of changes in tax rates	(60,000)	(30,000)
Total deferred tax	<u>(30,000)</u>	<u>(70,000)</u>
Tax on profit on ordinary activities	<u>1,094,627</u>	<u>892,160</u>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (22.68 per cent). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>4,416,110</u>	<u>3,638,457</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.68% (28 May 2013 : 23.84%)	1,001,574	867,408
<b>Effects of:</b>		
Expenses not deductible for tax purposes	40,223	9,602
Depreciation for period in excess of capital allowances	21,881	85,150
Adjustments to tax charge in respect of previous periods	60,949	-
Current tax charge for period	<u>1,124,627</u>	<u>962,160</u>

**PUKKA PIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 MAY 2014**

**10. Dividends**

**Dividends paid and proposed on equity shares**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Paid during the year:		
Equity dividends on Ordinary shares	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

**11. Tangible fixed assets**

	<b>Land and buildings freehold</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost/revaluation</b>				
At 28 May 2013	13,740,000	19,771,725	1,936,922	35,448,647
Additions	-	697,739	278,819	976,558
Disposals	-	(40,400)	(226,203)	(266,603)
At 26 May 2014	<u>13,740,000</u>	<u>20,429,064</u>	<u>1,989,538</u>	<u>36,158,602</u>
<b>Depreciation</b>				
At 28 May 2013	250,000	15,028,293	1,421,404	16,699,697
On disposals	-	(40,400)	(197,892)	(238,292)
Charge for the year	250,000	932,237	191,506	1,373,743
At 26 May 2014	<u>500,000</u>	<u>15,920,130</u>	<u>1,415,018</u>	<u>17,835,148</u>
<b>Net book values</b>				
At 26 May 2014	<u>13,240,000</u>	<u>4,508,934</u>	<u>574,520</u>	<u>18,323,454</u>
At 26 May 2013	<u>13,490,000</u>	<u>4,743,432</u>	<u>515,518</u>	<u>18,748,950</u>

At various times the freehold land and buildings have been revalued. The most recent valuation was carried out by Innes England, Chartered Surveyors of 12 DeMontfort Street, Leicester in 2012. This valuation, based on depreciated replacement cost, showed a decrease of £3,358,616 and was included in the financial statements for the year ended 28 May 2012. This valuation was a full valuation for FRS 15 purposes. Previous valuations were carried out in May 1990 (£1,148,166), May 2004 (£2,475,960), May 2006 (£1,807,250) and May 2009 (£465,000). Subsequent additions will be shown at cost. The directors are carrying out regular valuations of the freehold property and are of the opinion that the current market value is not materially different from that stated above.

The directors adopted FRS 15 during the year ended 26 May 2001 in relation to the revaluation of land and buildings. It is now company policy to carry out full valuations of these assets every five years with interim valuations in the intervening years.



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Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2014 £	2013 £
Cost	13,772,325	13,772,325
Depreciation	3,382,655	3,112,435
Net book value	<u>10,389,670</u>	<u>10,659,890</u>

Depreciation of freehold buildings has been calculated on the revalued amount where applicable; based on cost the charge would have been higher by £20,220.

12. <b><u>Stocks</u></b>	2014 £	2013 £
Raw materials and consumables	1,117,144	1,587,982
Finished goods and goods for resale	1,108,925	1,541,129
	<u>2,226,069</u>	<u>3,129,111</u>

13. <b><u>Debtors</u></b>	2014 £	2013 £
Trade debtors	4,474,949	3,387,436
Other debtors	409,507	207,937
Prepayments and accrued income	163,500	216,000
	<u>5,047,956</u>	<u>3,811,373</u>

14. <b><u>Creditors: amounts falling due within one year</u></b>	2014 £	2013 £
Trade creditors	570,140	749,852
Corporation tax	267,295	162,160
Other taxes and social security costs	221,976	204,874
Other creditors	1,097	315
Accruals and deferred income	495,850	340,708
	<u>1,556,358</u>	<u>1,457,909</u>

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**15. Provisions for liabilities**

	<b>Deferred taxation (Note 16) £</b>	<b>Total £</b>
At 28 May 2013	670,000	670,000
Movements in the year	(30,000)	(30,000)
At 26 May 2014	<u>640,000</u>	<u>640,000</u>

**16. Provision for deferred taxation**

	<b>2014 £</b>	<b>2013 £</b>
Accelerated capital allowances	640,000	670,000
Provision for deferred tax	<u>640,000</u>	<u>670,000</u>
Provision at 28 May 2013	670,000	
Deferred tax credit in profit and loss account	(30,000)	
Provision at 26 May 2014	<u>640,000</u>	

**17. Share capital**

	<b>2014 £</b>	<b>2013 £</b>
<b>Authorised</b> 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b> 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Equity Shares</b> 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

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<b>18. <u>Equity Reserves</u></b>	<b>Revaluation <u>reserve</u> £</b>	<b>Profit and loss <u>account</u> £</b>	<b><u>Total</u> £</b>
<b>At 28 May 2013</b>	2,451,134	24,428,573	26,879,707
Profit for the year	-	3,321,483	3,321,483
Actuarial gain in respect of defined benefit scheme	-	1,854,000	1,854,000
Deferred taxation in respect of defined benefit scheme	-	(403,000)	(403,000)
Equity dividends	-	(2,000,000)	(2,000,000)
<b>At 26 May 2014</b>	<u>2,451,134</u>	<u>27,201,056</u>	<u>29,652,190</u>

<b>19. <u>Reconciliation of movements in shareholders' funds</u></b>	<b>2014 £</b>	<b>2013 £</b>
Profit for the year	3,321,483	2,746,297
Actuarial gain in respect of defined pension scheme	1,854,000	(675,000)
Deferred taxation in respect of defined benefit scheme	(403,000)	142,000
Equity dividends	(2,000,000)	(2,000,000)
	<u>2,772,483</u>	<u>213,297</u>
Opening shareholders' funds	26,929,707	26,716,410
Closing shareholders' funds	<u>29,702,190</u>	<u>26,929,707</u>

**20. Pensions and other post-retirement benefits**

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with various insurance companies.

Pension contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent full actuarial valuation was carried out at 6 April 2013. The main assumptions used by the actuary were:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	%	%	%
Rate of increase in salaries	3.3	4.3	4.5
Rate of increase in pensions in payment	3.3	3.3	3.5
Discount rate	4.1	4.1	5.3
Inflation assumption	<u>3.3</u>	<u>3.3</u>	<u>3.5</u>

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20.1 The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are:

	<b>Long-term rate of return expected at 2014 %</b>	<b>Value at 2014 £</b>	<b>Long-term rate of return expected at 2013 %</b>	<b>Value at 2013 £</b>	<b>Long-term rate of return expected at 2012 %</b>	<b>Value at 2012 £</b>
Equities	7.1	5,558,000	7.0	5,284,000	7.0	3,707,200
Bonds	4.1	15,117,000	4.2	14,161,000	5.3	11,964,000
Property	1.0	1,556,000	1.0	1,690,000	1.0	1,179,800
Total market value of assets		<u>22,231,000</u>		<u>21,135,000</u>		<u>16,851,000</u>
Present value of scheme liabilities		<u>(22,369,000)</u>		<u>(22,969,000)</u>		<u>(17,188,000)</u>
Deficit in the scheme		(138,000)		(1,834,000)		(337,000)
Related deferred tax liability		31,000		434,000		94,000
Net pension liability		<u><u>(107,000)</u></u>		<u><u>(1,400,000)</u></u>		<u><u>(243,000)</u></u>

An analysis of the movements in the deficit during the year are shown below:

	<b>2014 £</b>	<b>2013 £</b>
Deficit brought forward	(1,834,000)	(1,138,000)
Total operating charge	(551,000)	(313,000)
Total finance (cost)/income	(30,000)	33,000
Actuarial gain/(loss)	1,854,000	(675,000)
Contributions	423,000	259,000
Deficit carried forward	<u><u>(138,000)</u></u>	<u><u>(1,834,000)</u></u>

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**Analysis of the amount charged to operating profit**

	2014	2013
	£	£
Current service cost	(337,000)	(313,000)
Past service cost	(214,000)	-
Total operating charge	(551,000)	(313,000)

**Analysis of the amount charged to other finance income**

	2014	2013
	£	£
Expected return on pension scheme assets	916,000	875,000
Interest on pension scheme liabilities	946,000	842,000
Total (cost)/income	(30,000)	33,000

**Analysis of amount recognised in Statement of total recognised gains and losses**

	2014	2013
	£	£
Actual return less expected return on pension scheme assets	89,000	948,000
Experience gains/(losses) arising on the scheme liabilities	1,979,000	(1,980,000)
(Loss)/gain arising from changes in assumptions underlying the present value of the scheme liabilities	(214,000)	357,000
Actuarial gain/(loss)	1,854,000	(675,000)

**History of experience gains and losses**

A history of experience gains and losses is shown below:

	2014	2013	2012	2011	2010
Difference between the expected and actual return on scheme assets:					
amount (£)	89,000	948,000	(791,000)	73,000	258,000
percentage of scheme assets	0%	4%	(4)%	0%	6%
Experience gains and losses on scheme liabilities:					
amount (£)	1,979,000	(1,980,000)	(1,652,000)	(587,000)	4,521,000
percentage of the present value of the scheme liabilities	9%	(9)%	(8)%	(3)%	29%
Total amount recognised in Statement of total recognised gains and losses:					
amount (£)	1,854,000	(675,000)	(859,000)	172,000	1,891,000
percentage of the present value of the scheme liabilities	8%	(3)%	(4)%	1%	12%

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**21. Related party transactions**

During the year V. C. Storer, a director, received dividends of £734,240; A. J. Storer, a director, received dividends of £344,000; T. D. Storer, a director, and his dependent children received dividends of £344,000; S. M. Storer, the daughter of V. C. Storer and the sister of A. J. Storer and T. D. Storer, and her dependent children received dividends of £344,000 and The Storer Family Trust, where members of the Storer family are beneficiaries, received dividends of £233,760.

During the year, Pukka Pies Limited rented a property owned by The Storer Property Partnership LLP. A. J. Storer and T. D. Storer, directors and shareholders in Pukka Pies Limited, are also partners in The Storer Property Partnership LLP. S. M. Storer, a shareholder in Pukka Pies Limited is also a partner in The Storer Property Partnership LLP. The rent paid during the year ended 26 May 2014 amounted to £99,750.

**22. Gross cash flows**

	2014	2013
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	66,501	56,430
Interest paid	(3,881)	-
	62,620	56,430
<b>Taxation</b>		
Corporation tax paid	(1,257,332)	(1,600,000)
Corporation tax repaid	237,840	626,582
	(1,019,492)	(973,418)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(976,558)	(452,050)
Receipts from sales of tangible assets	39,295	45,170
	(937,263)	(406,880)

**23. Analysis of changes in net funds**

	<b><u>Opening balance</u></b>	<b><u>Cash flows</u></b>	<b><u>Closing balance</u></b>
	£	£	£
Cash at bank and in hand	4,768,182	1,639,887	6,408,069
<b>Net funds</b>	4,768,182	1,639,887	6,408,069