Registered number: 01190834

Candlelight Products Limited

Annual Report
and Financial Statements

For the year ended 31 May 2016

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CLB coopers

Audit Services

Delivering solutions through excellence

Candlelight Products Limited

Company Information

Directors	M Winch M Crosthwaite S Mayo C Maxfield M Freedman L Liptrott B Winch T Boyle
Company secretary	C Maxfield
Company number	01190834
Registered office	Ustun House Waddington Way Aldwarke Rotherham S65 3SH
Auditors	CLB Coopers Audit Services Ship Canal House 98 King Street Manchester M2 4WU
Bankers	HSBC Bank Plc HSBC House 1 Bond Court Leeds LS1 2JZ

Candlelight Products Limited

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Principal activity

The Company is a market leading designer, importer and wholesale supplier of design-led giftware and home accessories.

Business review

The directors are pleased to report on another successful trading performance in the year to 31 May 2016. The Statement of Income and Retained Earnings is set out on page 7 and shows turnover for the year of £18,131,000 and a profit before tax of £1,184,000.

Although sales in the year were down on the previous year, the increase in profitability is a result of strict control of overheads.

The directors remain confident that the Company will continue to prosper in the forthcoming financial year.

Future development

The Company continues to invest in people and technology to enhance its strength and experience of over 40 years, in the area of in-house design and own brand management.

Principal risks and uncertainties

The major issue facing the Company in the next trading period is the fallout from 'Brexit' and the weakness of sterling but a strong Balance Sheet and cash position will allow the Company to take full advantage of any new opportunities that arise in the next financial year.

Financial risk management objectives and policies

The Company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the Company's operations.

Transactions in financial instruments result in the Company assuming or transferring to another party one or more of the financial risks described below:

Interest rate risk

The Company is exposed to interest rate risk on its bank accounts and bank borrowings.

Credit risk

The Company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Liquidity risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Currency risk

The Company's principal foreign currency exposure arises from trading with and purchasing from overseas companies, primarily in US Dollars.

The Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. The hedging activity involves the use of third party foreign exchange instruments.

Corporate and social responsibility

The Company recognises its impact, responsibilities and obligations on and towards its environment. The Company employs managers who are tasked with meeting all health, safety and environmental regulations.

This report was approved by the board and signed on its behalf.

M Winch
Director

Date: 6th December 2016

Directors' Report
For the year ended 31 May 2016

The directors present their report and the financial statements for the year ended 31 May 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements 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.

Results and dividends

The profit for the year, after taxation, amounted to £962,000 (2015: £796,000).

Details of dividends declared and paid are shown on the Statement of Income and Retained Earnings on page 7.

The financial highlights are:

	2016	2015
	£000	£000
Turnover	**18,131**	21,807
Profit on ordinary activities before taxation	**1,184**	986
Profit available for distribution	**962**	796

Directors' Report
For the year ended 31 May 2016

Directors

The directors who served during the year were:

M Winch
M Crosthwaite
S Mayo
C Maxfield
M Freedman
L Liptrott
B Winch
T Boyle

There have been no changes to directors since the end of the financial year.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditor, CLB Coopers Audit Services, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

C Maxfield
Secretary

Date: 6th December 2016

Independent Auditors' Report to the Shareholders of One Flight Limited

We have audited the financial statements of Candlelight Products Limited for the year ended 31 May 2016, set out on pages 7 to 24. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholder 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 shareholder those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Financial Reporting Council'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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 May 2016 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 and the directors' report has been prepared in accordance with applicable legal requirements.

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.

CLB Coopers Audit Services.

Andrew Feeke (Senior Statutory Auditor)

for and on behalf of
CLB Coopers Audit Services

Statutory Auditors and Chartered Accountants

Ship Canal House
98 King Street
Manchester
M2 4WU
Date: 6th December 2016

Candlelight Products Limited

Statement of Income and Retained Earnings (including a profit and loss account)
For the year ended 31 May 2016

	Note	2016 £000	2015 £000
Turnover	4	**18,131**	21,807
Change in stocks of finished goods and work in progress		**(909)**	691
Raw materials and consumables		**(8,915)**	(12,641)
Other external charges		**(958)**	(1,882)
Staff costs		**(3,013)**	(3,210)
Depreciation written off fixed assets		**(74)**	(151)
Other operating expenses		**(3,048)**	(3,532)
Operating profit	5	**1,214**	1,082
Profit on disposal of fixed assets		**13**	4
Interest payable and similar charges	8	**(43)**	(100)
Profit on ordinary activities before taxation		**1,184**	986
Tax on profit on ordinary activities	9	**(222)**	(190)
Profit for the financial year		**962**	796
Retained earnings at the beginning of the year		**5,321**	4,875
		5,321	4,875
Profit for the year		**962**	796
Equity dividends declared and paid		**(1,905)**	(350)
Retained earnings at the end of the year		**4,378**	5,321

The notes on pages 10 to 24 form part of these financial statements.

Candlelight Products Limited
Registered number:01190834

Balance Sheet
As at 31 May 2016

	Note		2016 £000		2015 £000
Fixed assets					
Tangible assets	10		**68**		138
Investments	11		**1**		1
			69		139
Current assets					
Stocks	12	**4,264**		5,173	
Debtors: amounts falling due after more than one year	13	**-**		1,286	
Debtors: amounts falling due within one year	13	**1,835**		2,208	
Cash at bank and in hand	14	**1,920**		951	
		8,019		9,618	
Creditors: amounts falling due within one year	15	**(3,018)**		(3,734)	
Net current assets			**5,001**		5,884
Total assets less current liabilities			**5,070**		6,023
Creditors: amounts falling due after more than one year	16		**(2)**		(12)
Net assets			**5,068**		6,011
Capital and reserves					
Called up share capital	18		**128**		128
Share premium account	19		**400**		400
Capital redemption reserve	19		**162**		162
Profit and loss account	19		**4,378**		5,321
Shareholders' funds			**5,068**		6,011

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Winch
Director

Date: 6th December 2016

The notes on pages 10 to 24 form part of these financial statements.

Candlelight Products Limited

Statement of Cash Flows
For the year ended 31 May 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the financial year	**962**	796
Adjustments for:		
Depreciation of tangible assets	**74**	151
Profit on disposal of fixed asset	**(13)**	(4)
Interest paid	**43**	100
Taxation	**222**	190
Decrease / (increase) in stocks	**909**	(691)
Increase in debtors	**1,662**	1,034
Increase in creditors	**22**	111
Corporation tax	**(117)**	-
Net cash generated from operating activities	**3,764**	1,687
Purchase of tangible fixed assets	**(8)**	(7)
Sale of tangible fixed assets	**15**	4
Hire purchase interest paid	**(1)**	(3)
Net cash from investing activities	**6**	(6)
Cash flows from financing activities		
Net advances against the security of book debts	**-**	(112)
Net import loan facility movements	**(822)**	(751)
Capital element of hire purchase contracts	**(32)**	(23)
Equity dividends paid	**(1,905)**	(350)
Interest paid	**(42)**	(97)
Net cash used in financing activities	**(2,801)**	(1,333)
Net increase in cash and cash equivalents	**969**	348
Cash and cash equivalents at beginning of year	**951**	603
Cash and cash equivalents at the end of year	**1,920**	951
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,920**	951
	1,920	951

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 4 Balance Sheet paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of the Company's parent, One Flight Limited as at 31 May 2016, and these financial statements may be obtained from Companies House, Maindy Way, Cardiff, CF14 3UZ.

2.3 Turnover

Turnover is recognised to the extend that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where goods are sold under ex-works terms, the Company is deemed to have transferred the risks and rewards of ownership to the buyer when the goods are packaged, segregated and ready for collection by the buyer, with the buyer being notified that the goods are ready for collection.

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the group exchange rates set at the start of the year.

At each year end foreign currency monetary items are translated using the closing exchange rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

All foreign exchange gains and losses are presented in the profit and loss account within 'raw materials and consumables'.

2.6 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.7 Hire purchase agreements

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold land and buildings	- 10% pa straight line
Plant, equipment and vehicles	- 20% to 33% pa straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include directly attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its estimated selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Creditors

Short term creditors are measured at the transaction price.

Other financial liabilities, including bank loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The Company 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable

2. Accounting policies (continued)

2.16 Financial instruments (continued)

or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Stock provision

The directors have applied their knowledge of the operations of the business when reviewing the stock listing at the balance sheet date, and have made appropriate provision for any items deemed to be slow moving or obsolete. Any charge or credit is recognised in the Statement of Income and Retained Earnings.

4. Analysis of turnover

The whole of the turnover is attributable to the one principal activity of the Company.

A geographical analysis of turnover is as follows:

	2016 **£000**	2015 £000
United Kingdom	**17,385**	20,572
Europe	**746**	1,233
Rest of the World	**-**	2
	18,131	21,807

5. Operating profit

The operating profit is stated after charging:

	2016 **£000**	2015 £000
Depreciation of tangible fixed assets	**74**	151
Auditor's remuneration	**24**	24
Auditor's remuneration in respect of non-audit services	**4**	4
Profit on exchange differences	**(230)**	(556)
Operating lease costs	**588**	598
Defined contribution pension costs	**13**	11

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 **£000**	2015 £000
Wages and salaries	**2,759**	2,940
Social security costs	**241**	259
Pension costs	**13**	11
	3,013	3,210

The average monthly number of employees, including the directors, during the year was as follows:

	2016 **No.**	2015 No.
Distribution	**44**	54
Sales and administration	**58**	65
	102	119

7. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	**973**	1,040
Company contributions to defined contribution pension schemes	**2**	2
	975	1,042

During the year retirement benefits were accruing to 6 directors (2015: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £262,000 (2015: £295,000).

8. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	**41**	92
Interest on finance leases and hire purchase contracts	**1**	3
Other interest payable	**1**	5
	43	100

9. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	**224**	118
Adjustments in respect of previous periods	**1**	-
	225	118
Total current tax	**225**	118
Deferred tax		
Origination and reversal of timing differences	**(3)**	72
Total deferred tax	**(3)**	72
Taxation on profit on ordinary activities	**222**	190

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.83%). The differences are explained below:

	2016	2015
	£000	£000
Profit on ordinary activities before tax	**1,184**	986
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.83%)	**237**	205
Effects of:		
Expenses not deductible for tax purposes	**5**	4
Research and development tax credit	**(20)**	(19)
Total tax charge for the year	**222**	190

10. Tangible fixed assets

	Short leasehold land and buildings	Plant, equipment and vehicles	Total
	£000	£000	£000
Cost or valuation			
At 1 June 2015	**43**	**1,543**	**1,586**
Additions	**-**	**8**	**8**
Disposals	**-**	**(35)**	**(35)**
At 31 May 2016	**43**	**1,516**	**1,559**
Depreciation			
At 1 June 2015	**43**	**1,405**	**1,448**
Charge owned for the period	**-**	**62**	**62**
Charge financed for the period	**-**	**12**	**12**
Disposals	**-**	**(31)**	**(31)**
At 31 May 2016	**43**	**1,448**	**1,491**
Net book value			
At 31 May 2016	**-**	**68**	**68**
At 31 May 2015	-	138	138

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2016	2015
	£000	£000
Plant, equipment and vehicles	**11**	53
	11	53

11. Fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 June 2015	1
At 31 May 2016	1
Net book value	
At 31 May 2016	1
At 31 May 2015	1

The principal subsidiary is Candlelight Far East Limited, a wholly owned subsidiary incorporated in Hong Kong. Candlelight Far East Limited did not trade during the year. The issued share capital is HK$2 and the authorised share capital is $10,000.

The remaining shares in group undertakings relate to 6 wholly owned dormant subsidiaries, registered in England and Wales. The authorised and issued share capital of each is 100 Ordinary shares of £1, all of which have £nil reserves.

12. Stocks

	2016 £000	2015 £000
Finished goods	4,264	5,173
	4,264	5,173

Stock recognised in cost of sales during the year as an expense was £10,782,000 (2015: £13,832,000).

The movement in the stock provision recognised in the current year is a credit of £183,000 (2015: £300,000 debit).

13. Debtors

	2016 £000	2015 £000
Due after more than one year		
Amounts owed by group undertakings	-	1,286
	-	1,286

13. Debtors (continued)

	2016 £000	2015 £000
Due within one year		
Trade debtors	**1,580**	1,692
Other debtors	**1**	243
Prepayments and accrued income	**241**	263
Deferred taxation	**13**	10
	1,835	2,208

14. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	**1,920**	951
	1,920	951

The bank facility operated by the Company incorporates a right of set-off on all bank accounts.

15. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Import loan facility	**380**	1,202
Trade creditors	**1,248**	930
Corporation tax	**225**	118
Taxation and social security	**140**	117
Hire purchase contracts	**11**	33
Other creditors	**97**	2
Accruals and deferred income	**917**	1,332
	3,018	3,734

The import loan facility is secured by a fixed and floating charge over all of the assets of the Company and all of the assets of its parent undertaking, One Flight Limited, by way of a cross guarantee.

The hire purchase liability is secured upon the assets to which the liability relates.

16. Creditors: Amounts falling due after more than one year

	2016	2015
	£000	£000
Hire purchase contracts	**2**	12
	2	12

The hire purchase liability is secured upon the assets to which the liability relates.

17. Deferred taxation

	Deferred tax
	£000
At 1 June 2015	**10**
Movement during the year	**3**
At 31 May 2016	**13**

The deferred tax asset is made up as follows:

	2016	2015
	£000	£000
Accelerated capital allowances	**12**	9
Losses and other deductions	**1**	1
	13	10

18. Share capital

	2016	2015
	£000	£000
Allotted, called up and fully paid		
128,663 Ordinary shares of £1 each	**128**	128

All share capital is called up, issued, allotted and fully paid. There are no restrictions on the distribution of dividends or the repayment of capital.

19. Reserves

Share premium

The share premium account represents the excess over the nominal value paid for shares in the Company.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased by the Company and then cancelled.

Profit & loss account

The profit and loss account represents accumulated trading profit, less equity dividends paid.

20. Guarantees and financial commitments

	2016	2015
	£000	£000
Outstanding forward foreign exchange contracts	-	2,451

There were no forward foreign exchange contracts at the balance sheet date.

	2016	2015
	£000	£000
HM Revenue and Customs duty deferment bond	**250**	250

21. Contingent liabilities

At the balance sheet date the Company's bankers have provided letters of credit and other supplier guarantees, underwritten by the Company, amounting to:

	2016	2015
	£000	£000
Letters of credit and other supplier guarantees	**498**	669
	498	669

The Company is party to a confidential invoice discounting facility, whereby any funding advice is secured by a fixed and floating charge over all the assets of the Company and a deed of priority over the book debts. The net advance at the balance sheet date is £nil (2015: £nil).

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £2,000 (2015: £2,000) were payable to the fund at the balance sheet date.

23. Commitments under operating leases

At 31 May 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£000	£000
Not later than 1 year	**573**	555
Later than 1 year and not later than 5 years	**1,930**	1,958
Later than 5 years	**1,452**	1,907
Total	**3,955**	4,420

24. Related party transactions

Group undertakings

In preparing these financial statements, advantage has been taken of the provision under FRS 102 Section 33 which states that disclosure is not required of transactions which are part of the Group, provided that consolidated financial statements in which the Company is included, are publicly available.

At 31 May 2016 the Company was owed £nil (2015: £1,286,000) by One Flight Limited, its parent company.

Associated undertakings

During the year, Candlelight Products Limited incurred charges on behalf of CPL Global Sourcing Limited totalling £62,000 (2015: £150,000) and received advances totalling £339,000 (2015: £177,000). CPL Global Sourcing Limited, a company incorporated in Hong Kong, is a related party by virtue of connected shareholders and directors.

During the year, the Company received/incurred management charges totalling £47,000 / £21,000 (2015: £50,000 / £nil) from CPL Global Sourcing Limited.

At 31 May 2016 the Company owed £95,000 to CPL Global Sourcing Limited, this balance is included within other creditors at the balance sheet date (2015: was owed £182,000 included within other debtors).

Included within contingent liabilities is a standby letter of credit amounting to £nil (2015: £197,000) and a guarantee of £483,000 (2015: £458,000) in favour of Hong Kong and Shanghai Banking Corporation on behalf of CPL Global Sourcing Limited.

25. Controlling party

The Company is a wholly owned subsidiary of One Flight Limited.

There was no individual ultimate controlling party of One Flight Limited during the current or preceding period.

26. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity and profit and loss.