Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2014

for

Henley Bridge Ingredients Limited

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Company Information
for the Year Ended 31 December 2014

DIRECTORS:	Mr A C Mycock Mrs K Mycock Mr C A Martin Mr T St John
SECRETARY:	Mrs K Mycock
REGISTERED OFFICE:	Bank Chambers 61 High Street Cranbrook Kent TN17 3EG
REGISTERED NUMBER:	03605607 (England and Wales)
AUDITORS:	McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 61 High Street Cranbrook Kent TN17 3EG

Strategic Report
for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS

During 2014, the focus was to consolidate existing business and focus on maintaining margin. This strategy proved to be successful in that some high volume/low margin business was replaced by more 'usual' business where the emphasis is on margin coupled with high levels of service. More significant growth was achieved in the Foodservice sector and the company also launched a new range of Ice Cream specific ingredients into that sector. The overall result was an improvement in turnover of 7.81% over previous year which added a further £900k+ to achieve the final turnover of £12.72m, whilst still maintaining the overall margin.

In July, the company agreed a new 10 year lease for an adjacent large unit, Unit 16, and re-negotiated its existing lease on Unit 15 to run in parallel. All in all this gives the company in excess of 30,000sq feet of space as well as a secure yard area. A programme to fit out and improve Unit 16 was completed by the year end and the costs of this were met from cash flow. This expansion enables the company to develop other revenue streams through third party storage and distribution of chocolate and other ingredients. A review of mechanical handling equipment was also instigated and has resulted in upgrading and improving our infrastructure.

The focus in 2015 will be to continue to unlock the potential in the Foodservice sector so we expect there to be further significant growth. The launch into the Ice Cream sector was received positively and the product range proved to represent the best value for money, so good growth in volume sales and margin will result during the 2015 campaign.

PRINCIPAL RISKS AND UNCERTAINTIES

A core focus for the company is on managing debt, and the company continues to devote a lot of time and effort to managing the risk. There is no reason to believe that the risk in 2015 will be any greater than in recent years.
Commodity markets move up and down continuously and exposure for us is extremely limited in that transactions are conducted on a back to back basis and currency risk is closely managed.

GOING CONCERN

In preparation of the financial statements, the directors have made an assessment of the company's ability to continue as a going concern.

Given the customer spread and liquidity, the directors have prepared detailed forecasts which show that the company is able to operate within its existing financial arrangements. The company is expected to remain profitable into the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

ON BEHALF OF THE BOARD:



Mr T St John - Director

20 March 2015

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS
The total dividend distribution for the year ended 31 December 2014 was £278,750.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Mr A C Mycock
Mrs K Mycock
Mr C A Martin
Mr T St John

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2014

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr T St John - Director

20 March 2015

Report of the Independent Auditors to the Members of Henley Bridge Ingredients Limited

We have audited the financial statements of Henley Bridge Ingredients Limited for the year ended 31 December 2014 on pages seven to eighteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors 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 December 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



David Boobbyer FCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and
Chartered Accountants
Bank Chambers
61 High Street
Cranbrook
Kent
TN17 3EG

20 March 2015

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	31.12.14 £	31.12.13 £
TURNOVER		12,724,162	11,802,821
Cost of sales		10,042,255	9,312,739
GROSS PROFIT		2,681,907	2,490,082
Administrative expenses		2,017,337	1,840,895
		664,570	649,187
Other operating income		69,011	26,779
OPERATING PROFIT	3	733,581	675,966
Interest receivable and similar income		66	23
		733,647	675,989
Interest payable and similar charges	4	35,373	26,564
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		698,274	649,425
Tax on profit on ordinary activities	5	144,419	147,520
PROFIT FOR THE FINANCIAL YEAR		553,855	501,905
Retained profit brought forward		320,284	85,129
		874,139	587,034
Dividends	6	(278,750)	(266,750)
RETAINED PROFIT CARRIED FORWARD		595,389	320,284

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Balance Sheet
31 December 2014

	Notes	31.12.14 £	£	31.12.13 £	£
FIXED ASSETS					
Tangible assets	7		325,161		267,060
CURRENT ASSETS					
Stocks	8	918,015		849,203	
Debtors	9	2,185,633		2,579,324	
Cash at bank and in hand		118,037		77,462	
		3,221,685		3,505,989	
CREDITORS					
Amounts falling due within one year	10	2,913,776		3,371,987	
NET CURRENT ASSETS			307,909		134,002
TOTAL ASSETS LESS CURRENT LIABILITIES			633,070		401,062
CREDITORS					
Amounts falling due after more than one year	11		-		(49,363)
PROVISIONS FOR LIABILITIES	15		(37,481)		(31,215)
NET ASSETS			595,589		320,484
CAPITAL AND RESERVES					
Called up share capital	16		200		200
Profit and loss account			595,389		320,284
SHAREHOLDERS' FUNDS	19		595,589		320,484

The financial statements were approved by the Board of Directors on 20 March 2015 and were signed on its behalf by:

Mr A C Mycock - Director

Mr C A Martin - Director

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2014

	Notes	31.12.14 £	£	31.12.13 £	£
Net cash inflow from operating activities	1		718,321		496,505
Returns on investments and servicing of finance	2		(35,307)		(26,541)
Taxation			(146,620)		(85,694)
Capital expenditure	2		(120,714)		(41,898)
Equity dividends paid			(278,750)		(266,750)
			136,930		75,622
Financing	2		(96,355)		(44,464)
Increase in cash in the period			40,575		31,158

	Notes				
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		40,575		31,158	
Cash outflow from decrease in debt		96,355		44,464	
Change in net debt resulting from cash flows			136,930		75,622
Movement in net debt in the period			136,930		75,622
Net debt at 1 January			(18,893)		(94,515)
Net funds/(debt) at 31 December			118,037		(18,893)

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 December 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.14	31.12.13
	£	£
Operating profit	733,581	675,966
Depreciation charges	62,613	62,012
Increase in stocks	(68,812)	(275,297)
Decrease/(increase) in debtors	393,691	(766,929)
(Decrease)/increase in creditors	(402,752)	800,753
Net cash inflow from operating activities	718,321	496,505

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.14	31.12.13
	£	£
Returns on investments and servicing of finance		
Interest received	66	23
Interest paid	(4,086)	(6,549)
Interest element of hire purchase or finance lease rentals payments	(31,287)	(20,015)
Net cash outflow for returns on investments and servicing of finance	(35,307)	(26,541)
Capital expenditure		
Purchase of tangible fixed assets	(120,714)	(41,898)
Net cash outflow for capital expenditure	(120,714)	(41,898)
Financing		
Loan repayments in year	(96,355)	(44,464)
Net cash outflow from financing	(96,355)	(44,464)

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 December 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	77,462	40,575	118,037
	77,462	40,575	118,037
Debt:			
Debts falling due within one year	(46,992)	46,992	-
Debts falling due after one year	(49,363)	49,363	-
	(96,355)	96,355	-
Total	(18,893)	136,930	118,037

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- Over period of lease
Improvements to leasehold property	- Over period of lease
Plant and machinery	- 15% on reducing balance
Fixtures, fittings and equipment	- straight line basis between 3 & 10 years
Motor vehicles	- 25% on reducing balance

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. STAFF COSTS

	31.12.14	31.12.13
	£	£
Wages and salaries	1,045,862	970,965
Social security costs	104,949	98,957
	1,150,811	1,069,922

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

	31.12.14	31.12.13
Warehouse	13	12
Directors and Administration	29	28
	42	40

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Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.14	31.12.13
	£	£
Depreciation - owned assets	62,613	62,012
Auditors' remuneration	6,000	6,000
Directors' remuneration	71,092	72,326

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.14	31.12.13
	£	£
Bank interest	1	188
Bank loan interest	4,085	6,361
Leasing	31,287	20,015
	35,373	26,564

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.14	31.12.13
	£	£
Current tax:		
UK corporation tax	138,153	146,605
Deferred tax:		
Accelerated capital allowances	6,266	915
Tax on profit on ordinary activities	144,419	147,520

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.14	31.12.13
	£	£
Profit on ordinary activities before tax	698,274	649,425
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	146,638	149,368
Effects of:		
Expenses not deductible for tax purposes	1,107	1,207
Capital allowances in excess of depreciation	(9,689)	-
Depreciation in excess of capital allowances	-	1,236
Marginal rate	97	(5,206)
Current tax charge	138,153	146,605

6. DIVIDENDS

	31.12.14	31.12.13
	£	£
Ordinary 'A' shares of £1 each		
Interim	146,000	134,000
Ordinary 'B' shares of £1 each		
Interim	132,750	132,750
	278,750	266,750

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

7. TANGIBLE FIXED ASSETS

	Leasehold property £	Improvements to leasehold property £	Plant and machinery £
COST			
At 1 January 2014	17,051	160,234	102,112
Additions	15,265	26,835	30,940
At 31 December 2014	32,316	187,069	133,052
DEPRECIATION			
At 1 January 2014	6,473	58,591	52,213
Charge for year	2,585	10,865	9,250
At 31 December 2014	9,058	69,456	61,463
NET BOOK VALUE			
At 31 December 2014	23,258	117,613	71,589
At 31 December 2013	10,578	101,643	49,899

	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST			
At 1 January 2014	316,166	29,539	625,102
Additions	47,674	-	120,714
At 31 December 2014	363,840	29,539	745,816
DEPRECIATION			
At 1 January 2014	222,170	18,595	358,042
Charge for year	37,177	2,736	62,613
At 31 December 2014	259,347	21,331	420,655
NET BOOK VALUE			
At 31 December 2014	104,493	8,208	325,161
At 31 December 2013	93,996	10,944	267,060

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

8. STOCKS

	31.12.14	31.12.13
	£	£
Stocks	918,015	849,203

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Trade debtors	1,775,428	2,120,480
Other debtors	333,865	381,881
Prepayments	76,340	76,963
	2,185,633	2,579,324

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Bank loans and overdrafts (see note 12)	-	46,992
Trade creditors	1,299,097	1,491,874
Tax	138,153	146,620
Other taxation and social security	27,025	26,257
Other creditors	4,324	5,636
Invoice discounting	1,349,804	1,550,904
Accrued expenses	95,373	103,704
	2,913,776	3,371,987

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.14	31.12.13
	£	£
Bank loans (see note 12)	-	49,363

12. LOANS

An analysis of the maturity of loans is given below:

	31.12.14	31.12.13
	£	£
Amounts falling due within one year or on demand:		
Bank loan	-	46,992

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

12. LOANS - continued

	31.12.14	31.12.13
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	49,363

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	31.12.14	31.12.13	31.12.14	31.12.13
	£	£	£	£
Expiring:				
Within one year	-	-	8,319	1,084
Between one and five years	-	-	24,798	27,496
In more than five years	191,300	132,855	-	-
	191,300	132,855	33,117	28,580

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.14	31.12.13
	£	£
Invoice discounting	1,349,804	1,550,904

Lloyds TSB Commercial Finance Limited hold a fixed and floating charge dated 17 August 2010 over all property and assets of the company.

15. PROVISIONS FOR LIABILITIES

	31.12.14	31.12.13
	£	£
Deferred tax	37,481	31,215

	Deferred tax
	£
Balance at 1 January 2014	31,215
Accelerated capital allowances	6,266
Balance at 31 December 2014	37,481

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14 £	31.12.13 £
100	Ordinary 'A'	£1	100	100
100	Ordinary 'B'	£1	100	100
			200	200

17. RELATED PARTY DISCLOSURES

Mr A C Mycock
Director

Received dividends totalling £89,600 during the year.

Mr C A Martin
Director

Received dividends totalling £89,600 during the year.

Mrs K Mycock
Director

Received dividends totalling £63,050 during the year.

Mr T St John
Director

Received dividends totalling £36,500 during the year.

18. ULTIMATE CONTROLLING PARTY

The company is controlled by Mr and Mrs Mycock by virtue of their majority shareholding.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.14 £	31.12.13 £
Profit for the financial year	553,855	501,905
Dividends	(278,750)	(266,750)
Net addition to shareholders' funds	275,105	235,155
Opening shareholders' funds	320,484	85,329
Closing shareholders' funds	595,589	320,484