

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2017**

for

Henley Bridge Ingredients Limited

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**Contents of the Financial Statements
for the Year Ended 31 December 2017**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

Mr A C Mycock
Mrs K Mycock
Mr T St John

REGISTERED OFFICE:

Bank Chambers
61 High Street
Cranbrook
Kent
TN17 3EG

BUSINESS ADDRESS:

Cocoa House
15 The Cliffe Industrial Estate
South Street
Lewes
East Sussex
BN8 6JL

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 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

Following the currency travails of the previous year, Sterling slowly weakened further for the first 8 months of the year, but then remained in a steady range as the Brexit process progressed. Despite the backdrop of much lower cocoa prices, turnover increased from £17.583m to £19.123m, an increase of 8.75%.

The focus continued to be on margin and the average for the year was 20.8% compared to 21.8% in 2016. Sales grew in all sectors and the investment in the Foodservice and Ice Cream/Gelato sectors continued to pay off with direct impact on turnover and margins. Although overheads have increased, the company has benefited from economies of scale. Future plans focus on developing and consolidating the margin position, whilst continuing to grow turnover through range extensions and new product lines.

In August, the company purchased the 40% voting shares and 25% non-voting shares from Carl Martin using its financial reserves and a £400,000 loan to fund the buyback. The loan was repaid out of surplus cash in December 2017. The remaining shareholders retain control of the company.

The impact of the share buyback has reduced the company's retained profit at the year end and as a direct result, the bank and cash balances were also significantly lower. However, the company has marginally reduced its stock holding and collected trade debtor balances faster with debtor days reducing from 57 to 41, so it is in a strong position to move forward and meet all financial obligations as they fall due and is in a good financial position for future growth. The balance outstanding on invoice discounting had reduced by £300,000 the year end as a result of the improved debtor collection.

PRINCIPAL RISKS AND UNCERTAINTIES

A core focus for the company is managing debt and during 2017 the bad debt total amounted to less than £7,500 and was significantly below the sector average. The focus to minimise the risk continues and there is no reason to believe that the risk in 2018 will be any greater than in recent years.

Commodity markets fluctuate 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.

The potential impact of Brexit is subject to a great deal of speculation, so the company is closely monitoring developments as they unfold during the coming months.

**Strategic Report
for the Year Ended 31 December 2017**

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:

A handwritten signature in black ink, appearing to read 'Mr A C Mycock', is written over a horizontal line.

Mr A C Mycock - Director

27 March 2018

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of procuring and supplying food ingredients to industry.

DIVIDENDS

The total dividend distribution for the year ended 31 December 2017 was £286,788.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr A C Mycock

Mrs K Mycock

Mr T St John

Other changes in directors holding office are as follows:

Mr C A Martin - resigned 18 August 2017

CHARITABLE DONATIONS AND EXPENDITURE

During the year the company made a donation of £2,800 to Grenada - Icon Lifesaver Jerrycans. The company also made a number of smaller donations to other charities on an ad hoc basis throughout the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

**Report of the Directors
for the Year Ended 31 December 2017**

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.

AUDITORS

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

ON BEHALF OF THE BOARD:

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

Mr A C Mycock - Director

27 March 2018

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

Opinion

We have audited the financial statements of Henley Bridge Ingredients Limited (the 'company') for the year ended 31 December 2017 on pages nine to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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



David Boobyer 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

27 March 2018

Henley Bridge Ingredients Limited

Income Statement for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
TURNOVER		19,122,686	17,583,374
Cost of sales		15,129,044	13,751,830
GROSS PROFIT		3,993,642	3,831,544
Distribution costs		37,751	26,006
Administrative expenses		2,875,197	2,757,935
		2,912,948	2,783,941
		1,080,694	1,047,603
Other operating income		69,468	98,644
OPERATING PROFIT	4	1,150,162	1,146,247
Interest receivable and similar income		21	-
		1,150,183	1,146,247
Interest payable and similar expenses	5	2,776	-
PROFIT BEFORE TAXATION		1,147,407	1,146,247
Tax on profit	6	227,262	232,581
PROFIT FOR THE FINANCIAL YEAR		920,145	913,666

The notes form part of these financial statements

Henley Bridge Ingredients Limited

**Other Comprehensive Income
for the Year Ended 31 December 2017**

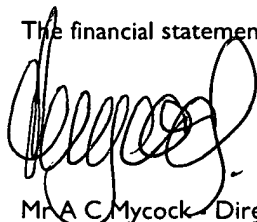
	31.12.17	31.12.16
Notes	£	£
PROFIT FOR THE YEAR	920,145	913,666
OTHER COMPREHENSIVE INCOME		
Buyback of own shares	(1,105,435)	-
Income tax relating to other comprehensive income	-	-
	<u> </u>	<u> </u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(1,105,435)	-
	<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(185,290)</u>	<u>913,666</u>

The notes form part of these financial statements

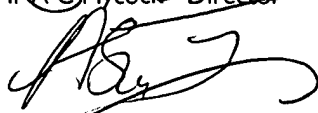
Balance Sheet
31 December 2017

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	8	333,587	350,421
Investments	9	50	-
		<u>333,637</u>	<u>350,421</u>
CURRENT ASSETS			
Stocks	10	1,863,133	1,986,014
Debtors	11	2,741,342	3,482,090
Cash at bank and in hand		50,557	193,141
		<u>4,655,032</u>	<u>5,661,245</u>
CREDITORS			
Amounts falling due within one year	12	3,770,425	4,322,213
		<u>3,770,425</u>	<u>4,322,213</u>
NET CURRENT ASSETS		<u>884,607</u>	<u>1,339,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,218,244</u>	<u>1,689,453</u>
PROVISIONS FOR LIABILITIES	15	46,013	45,079
		<u>46,013</u>	<u>45,079</u>
NET ASSETS		<u>1,172,231</u>	<u>1,644,374</u>
CAPITAL AND RESERVES			
Called up share capital	16	135	200
Capital redemption reserve	17	65	-
Retained earnings	17	1,172,031	1,644,174
		<u>1,172,231</u>	<u>1,644,374</u>
SHAREHOLDERS' FUNDS		<u>1,172,231</u>	<u>1,644,374</u>

The financial statements were approved by the Board of Directors on 27 March 2018 and were signed on its behalf by:



Mr A C Mycock - Director



Mr T St John - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	200	1,030,758	-	1,030,958
Changes in equity				
Dividends	-	(300,250)	-	(300,250)
Total comprehensive income	-	913,666	-	913,666
Balance at 31 December 2016	200	1,644,174	-	1,644,374
Changes in equity				
Issue of share capital	(65)	-	-	(65)
Dividends	-	(286,788)	-	(286,788)
Total comprehensive income	-	(185,355)	65	(185,290)
Balance at 31 December 2017	135	1,172,031	65	1,172,231

The notes form part of these financial statements

Henley Bridge Ingredients Limited

Cash Flow Statement for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
Cash flows from operating activities			
Cash generated from operations	1	1,552,049	637,315
Interest paid		(2,776)	-
Tax paid		(226,517)	(187,685)
Net cash from operating activities		<u>1,322,756</u>	<u>449,630</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(74,668)	(124,988)
Purchase of fixed asset investments		(50)	-
Sale of tangible fixed assets		1,645	3,500
Interest received		21	-
Net cash from investing activities		<u>(73,052)</u>	<u>(121,488)</u>
Cash flows from financing activities			
Share issue		(65)	-
Share buyback		(1,105,435)	-
Equity dividends paid		(286,788)	(300,250)
Net cash from financing activities		<u>(1,392,288)</u>	<u>(300,250)</u>
(Decrease)/increase in cash and cash equivalents		<u>(142,584)</u>	<u>27,892</u>
Cash and cash equivalents at beginning of year	2	<u>193,141</u>	<u>165,249</u>
Cash and cash equivalents at end of year	2	<u><u>50,557</u></u>	<u><u>193,141</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.17	31.12.16
	£	£
Profit before taxation	1,147,407	1,146,247
Depreciation charges	85,090	84,572
Loss on disposal of fixed assets	4,767	1,438
Finance costs	2,776	-
Finance income	(21)	-
	1,240,019	1,232,257
Decrease/(increase) in stocks	122,881	(710,406)
Decrease/(increase) in trade and other debtors	740,748	(856,546)
(Decrease)/increase in trade and other creditors	(551,599)	972,010
Cash generated from operations	<u><u>1,552,049</u></u>	<u><u>637,315</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	50,557	193,141

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	193,141	165,249

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

Henley Bridge Ingredients Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Investments in associates

Investments in associate undertakings are recognised at cost.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme which is compliant with the Auto Enrolment regulations. The company reached its staging date in October 2015. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	1,508,339	1,327,243
Social security costs	153,764	125,321
Other pension costs	14,021	11,715
	<u>1,676,124</u>	<u>1,464,279</u>

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

	31.12.17	31.12.16
Warehouse	17	16
Directors and Administration	36	33
	<u>53</u>	<u>49</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

3. **EMPLOYEES AND DIRECTORS - continued**

	31.12.17	31.12.16
	£	£
Directors' remuneration	33,505	49,111
Directors' pension contributions to money purchase schemes	50	75
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

	31.12.17	31.12.16
Money purchase schemes	<u>1</u>	<u>1</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.17	31.12.16
	£	£
Other operating leases	37,751	26,006
Depreciation - owned assets	85,090	84,572
Loss on disposal of fixed assets	4,767	1,438
Auditors' remuneration	6,000	6,000
Exchange rate gains	(63,359)	(29,094)
	<u> </u>	<u> </u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.17	31.12.16
	£	£
Bank loan interest	<u>2,776</u>	<u>-</u>

6. **TAXATION**

Analysis of the tax charge

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

	31.12.17	31.12.16
	£	£
Current tax:		
UK corporation tax	226,328	226,517
Deferred tax:		
Accelerated capital allowances	934	6,064
	<u> </u>	<u> </u>
Tax on profit	<u>227,262</u>	<u>232,581</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	31.12.17 £	31.12.16 £
Profit before tax	1,147,407	1,146,247
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	220,841	229,249
Effects of:		
Expenses not deductible for tax purposes	8,716	3,332
Change in rate of deferred tax	(2,295)	-
Total tax charge	227,262	232,581

Tax effects relating to effects of other comprehensive income

	Gross £	31.12.17 Tax £	Net £
Buyback of own shares	(1,105,435)	-	(1,105,435)

7. DIVIDENDS

	31.12.17 £	31.12.16 £
Ordinary 'A' shares of £1 each		
Interim	156,925	154,000
Ordinary 'B' shares of £1 each		
Interim	129,863	146,250
	286,788	300,250

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

8. TANGIBLE FIXED ASSETS

	Leasehold property £	Improvements to leasehold property £	Plant and machinery £
COST			
At 1 January 2017	32,316	245,970	132,869
Additions	-	31,710	-
Disposals	-	-	(8,400)
At 31 December 2017	32,316	277,680	124,469
DEPRECIATION			
At 1 January 2017	14,226	102,994	68,630
Charge for year	2,584	22,094	9,636
Eliminated on disposal	-	-	(6,100)
At 31 December 2017	16,810	125,088	72,166
NET BOOK VALUE			
At 31 December 2017	15,506	152,592	52,303
At 31 December 2016	18,090	142,976	64,239

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

8. TANGIBLE FIXED ASSETS - continued

	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST			
At 1 January 2017	410,823	23,450	845,428
Additions	42,958	-	74,668
Disposals	(17,607)	-	(26,007)
At 31 December 2017	436,174	23,450	894,089
DEPRECIATION			
At 1 January 2017	307,359	1,798	495,007
Charge for year	45,363	5,413	85,090
Eliminated on disposal	(13,495)	-	(19,595)
At 31 December 2017	339,227	7,211	560,502
NET BOOK VALUE			
At 31 December 2017	96,947	16,239	333,587
At 31 December 2016	103,464	21,652	350,421

9. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
Additions	50
At 31 December 2017	50
NET BOOK VALUE	
At 31 December 2017	50

10. STOCKS

	31.12.17 £	31.12.16 £
Stocks	1,863,133	1,986,014

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.17	31.12.16
	£	£
Trade debtors	2,157,523	2,775,108
Other debtors	419,863	540,972
Prepayments	163,956	166,010
	<u>2,741,342</u>	<u>3,482,090</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.17	31.12.16
	£	£
Trade creditors	1,866,047	2,114,631
Tax	226,328	226,517
Other taxation and social security	43,222	33,770
Other creditors	8,342	4,085
Invoice discounting	1,535,500	1,847,149
Accrued expenses	90,986	96,061
	<u>3,770,425</u>	<u>4,322,213</u>

13. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.17	31.12.16
	£	£
Within one year	3,305	181
Between one and five years	100,232	91,812
In more than five years	1,243,450	1,434,750
	<u>1,346,987</u>	<u>1,526,743</u>

The main leasing commitments are for two buildings occupied by the company which expire in 2024.

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.17	31.12.16
	£	£
Invoice discounting	<u>1,535,500</u>	<u>1,847,149</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. PROVISIONS FOR LIABILITIES

	31.12.17	31.12.16
	£	£
Deferred tax	<u>46,013</u>	<u>45,079</u>
		Deferred tax
		£
Balance at 1 January 2017		45,079
Accelerated capital allowances		<u>934</u>
Balance at 31 December 2017		<u>46,013</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
100	Ordinary 'A'	£1	75	100
100	Ordinary 'B'	£1	<u>60</u>	<u>100</u>
			<u>135</u>	<u>200</u>

The reduction in the share capital is a result of the buyback of shares from Mr C A Martin during the year.

17. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 January 2017	1,644,174	-	1,644,174
Profit for the year	920,145		920,145
Dividends	(286,788)		(286,788)
Purchase of own shares	<u>(1,105,500)</u>	<u>65</u>	<u>(1,105,435)</u>
At 31 December 2017	<u>1,172,031</u>	<u>65</u>	<u>1,172,096</u>

18. RELATED PARTY DISCLOSURES

Dividends of £286,788 were paid to directors of the company.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

**Entities over which the entity has control, joint control or
significant influence**

During the year the company acquired 50 Ordinary £ 1 shares, representing a 50% shareholding in a new company, FH Distribution Ltd. Henley Bridge Ingredients Limited has significant influence over FH Distribution Limited but does not have control over the company. Net sales of £441,727 were made to FH Distribution Ltd during the period to 31 December 2017 and the balance outstanding to Henley Bridge Ingredients Ltd at 31 December 2017 was £106,643. The transactions are conducted at arms length.

The company also advanced a loan of £3,700 to FH Distribution Ltd during the year. The loan is interest-free and no repayment terms have been agreed. The full balance of the loan remained outstanding at 31 December 2017.