

Financial Statements
Hereford Contract Canning
(HCC) Limited formerly
Herefordshire Cider Company
(HCC) Limited

For the year ended 31 December 2012



Registered number: 07415621

Company Information

Directors	P Burton H Burton S Cottingham J Hibberd S Hibberd R Leach G Asquith (appointed 20 June 2012 & resigned 31 October 2012)
Company secretary	S Cottingham
Registered number	07415621
Registered office	1 Staniers Way Roman Road Hereford HR1 1JT
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds LS1 4BN
Bankers	HSBC plc 4 Hardman Square Manchester M3 3EB
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

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Directors' Report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity and Business review

The company was incorporated on 21 October 2010 and began trading in March 2011. The principal activity of the company during the year was the canning of drinks.

During the year the work at Stanier's Way was completed and the canning line has been fully installed. The line became operational in May 2012 and with the investment in plant, the company is able to offer a range of canning facilities to customers. Further investment has been made in the company to cover losses incurred in the establishment of the business. Discussions are in progress with a number of major potential customers and we anticipate that in 2013 orders will increase which will result in a turn round in performance.

In preparing the financial statements, we have reviewed the trading performance and cash generation ability of the Company, the available cash reserves and offers of financial support from investors. For these reasons, we have adopted the going concern basis in preparing the Annual Report and Financial statements.

Directors

The directors who served during the year were

P Burton
H Burton
S Cottingham
J Hibberd
S Hibberd
R Leach
G Asquith

Provision of information to auditors

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 June 2013 and signed on its behalf



S Cottingham
Secretary

Directors' Responsibilities Statement

For the year ended 31 December 2012

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

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

Independent Auditors' Report to the Shareholders of Hereford Contract Canning (HCC) Limited formerly Herefordshire Cider Company (HCC) Limited

We have audited the financial statements of Hereford Contract Canning (HCC) Limited formerly Herefordshire Cider Company (HCC) Limited for the year ended 31 December 2012, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditors' Report to the Shareholders of Hereford Contract Canning (HCC) Limited formerly Herefordshire Cider Company (HCC) Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

A handwritten signature in black ink, appearing to be "M Stroh", written over a circular stamp or seal.

Matthew Stroh (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Leeds

24 June 2013

Profit and Loss Account

For the year ended 31 December 2012

	Note	31 December 2012 £	Period ended 31 December 2011 £
Turnover	1	3,480,508	2,237,167
Cost of sales		(3,132,338)	(2,015,323)
Gross profit		348,170	221,844
Administrative expenses		(930,237)	(155,277)
Operating (loss)/profit	2	(582,067)	66,567
Interest payable and similar charges	4	(37,868)	(5,181)
(Loss)/profit on ordinary activities before taxation		(619,935)	61,386
Tax on (loss)/profit on ordinary activities	5	13,000	(13,000)
(Loss)/profit for the financial year	14	(606,935)	48,386

The notes on pages 7 to 13 form part of these financial statements

All amounts relate to continuing operations

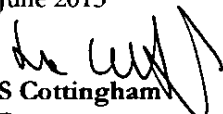
Balance Sheet

As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	6		3,806		4,229
Tangible assets	7		2,503,524		1,458,095
			<u>2,507,330</u>		<u>1,462,324</u>
Current assets					
Stocks	8	154,053		19,813	
Debtors	9	568,746		407,123	
Cash at bank		17,701		82,173	
		<u>740,500</u>		<u>509,109</u>	
Creditors: amounts falling due within one year	10	(1,843,941)		(734,168)	
Net current liabilities			<u>(1,103,441)</u>		<u>(225,059)</u>
Total assets less current liabilities			<u>1,403,889</u>		<u>1,237,265</u>
Creditors: amounts falling due after more than one year	11		(972,434)		(825,875)
Provisions for liabilities					
Deferred tax	12		-		(13,000)
Net assets			<u>431,455</u>		<u>398,390</u>
Capital and reserves					
Called up share capital	13		990,004		350,004
Profit and loss account	14		(558,549)		48,386
Shareholders' funds			<u>431,455</u>		<u>398,390</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 June 2013


S Cottingham
 Director

The notes on pages 7 to 13 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

In preparing the financial statements, the directors have reviewed the trading performance and cash generation ability of the Company, the available cash reserves and offers of financial support from investors. For these reasons, they have adopted the going concern basis in preparing the Annual Report and Financial statements

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.4 Turnover

Turnover comprises revenue receivable by the company in respect of goods supplied during the year including trade discounts but exclusive of Value Added Tax

1.5 Intangible fixed assets and amortisation

Intangible fixed assets are trademark registration costs. They are amortised to the Profit and loss account over their estimated economic lives

Amortisation is provided at the following rates

Trademarks	-	10 years
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	10 years
Office equipment	-	10 years

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies (continued)

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	31 December 2012 £	Period ended 31 December 2011 £
Amortisation - intangible fixed assets	423	-
Depreciation of tangible fixed assets		
- owned by the company	43,778	-
- held under finance leases	118,255	-
Auditors' remuneration - audit of the financial statements	7,000	6,775
Auditors' remuneration - non-audit	18,300	1,875
	<u> </u>	<u> </u>

3. Directors' remuneration

	31 December 2012 £	Period ended 31 December 2011 £
Aggregate emoluments	132,518	44,958
	<u> </u>	<u> </u>

4. Interest payable

	31 December 2012 £	Period ended 31 December 2011 £
On bank loans and overdrafts	10,783	5,181
On finance leases and hire purchase contracts	27,085	-
	<u> </u>	<u> </u>
	37,868	5,181
	<u> </u>	<u> </u>

Notes to the Financial Statements

For the year ended 31 December 2012

5. Taxation

	31 December 2012 £	Period ended 31 December 2011 £
Analysis of tax charge in the year/period		
Current tax		
UK corporation tax charge on (loss)/profit for the year/period	-	-
Deferred tax (see note 12)		
Effect of increased tax rate on opening liability	(13,000)	13,000
Tax on (loss)/profit on ordinary activities	<u>(13,000)</u>	<u>13,000</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 20%) The differences are explained below:

	31 December 2012 £	Period ended 31 December 2011 £
(Loss)/profit on ordinary activities before tax	<u>(619,935)</u>	<u>61,386</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	(123,987)	12,277
Effects of:		
Expenses not deductible for tax purposes	3,316	40
Capital allowances for year/period in excess of depreciation	23,692	(15,562)
Other timing differences leading to an increase (decrease) in taxation	-	3,245
Losses not recognised	<u>96,979</u>	<u>-</u>
Current tax charge for the year/period (see note above)	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 December 2012

6. Intangible fixed assets

	Trademarks £
Cost	
At 1 January 2012 and 31 December 2012	4,229
Amortisation	
At 1 January 2012	-
Charge for the year	423
At 31 December 2012	423
Net book value	
At 31 December 2012	3,806
At 31 December 2011	4,229

7. Tangible fixed assets

	Plant & machinery £	Computer & Office equipment £	Total £
Cost			
At 1 January 2012	1,458,095	-	1,458,095
Additions	1,185,519	20,695	1,206,214
At 31 December 2012	2,643,614	20,695	2,664,309
Depreciation			
At 1 January 2012	-	-	-
Charge for the year	155,864	4,921	160,785
At 31 December 2012	155,864	4,921	160,785
Net book value			
At 31 December 2012	2,487,750	15,774	2,503,524
At 31 December 2011	1,458,095	-	1,458,095

The bank has a fixed charge over all present freehold and leasehold property

8. Stocks

	2012 £	2011 £
Raw materials	154,053	19,813

Notes to the Financial Statements

For the year ended 31 December 2012

9. Debtors

	2012	2011
	£	£
Trade debtors	66,939	53,151
Amounts owed by related undertakings	333,140	214,716
Other debtors	168,667	139,256
	<u>568,746</u>	<u>407,123</u>

The banks has first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and a first floating charge over all assets and undertaking both present and future dated 19 August 2011

10. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	50,000	50,000
Other loans	650,170	-
Net obligations under finance leases and hire purchase contracts	340,686	130,000
Trade creditors	385,479	313,072
Social security and other taxes	110,414	6,694
Directors' loan	200,000	-
Other creditors	107,192	234,402
	<u>1,843,941</u>	<u>734,168</u>

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

	2012	2011
	£	£
Bank loans	133,333	183,333
Other loans	-	509,167
Net obligations under finance leases and hire purchase contracts	839,101	133,375
	<u>972,434</u>	<u>825,875</u>

Notes to the Financial Statements

For the year ended 31 December 2012

12. Deferred taxation

	2012 £	2011 £
At beginning of year/period	13,000	-
(Released during)/charge for year/period	(13,000)	13,000
At end of year/period	-	13,000

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	-	16,000
Short term timing differences	-	(3,000)
	-	13,000

13. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
990,004 (2011 - 350,004) Ordinary shares of £1 each	990,004	350,004

On 13 November 2013, a debt for equity swap resulted in £640,000 loan notes being converted into 640,000 Ordinary shares issued at par

14. Reserves

	Profit and loss account £
At 1 January 2012	48,386
Loss for the year	(606,935)
At 31 December 2012	(558,549)

Notes to the Financial Statements

For the year ended 31 December 2012

15. Related party transactions

At 31 December 2012 the company was owed £333,141 (2011 £214,716) by Corinthian Brands Limited (CBL) Limited. In the year the company sold goods of £3,824,480 (2011 £2,237,167) to Corinthian Brands (CBL) Limited and purchased goods of £139,287 (2011 £29,266) from Corinthian Brands (CBL) Limited. The directors of the company have a beneficial interest in Corinthian Brands (CBL) Limited.

The directors consider that there is no ultimate controlling party.