Registered number: 07415621

Hereford Contract Canning (HCC) Limited

Annual Report
and Financial Statements

For the year ended 31 December 2016

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Hereford Contract Canning (HCC) Limited

Company Information

Directors	P Burton H Burton S Cottingham J Hibberd S Hibberd R Leach
Company secretary	S Cottingham
Registered number	07415621
Registered office	1 Staniers Way Roman Road Hereford HR1 1JT
Independent auditor	CLB Coopers Audit Services Ship Canal House 98 King Street Manchester M2 4WU
Bankers	Santander UK plc 44 Merrion Street Leeds LS2 8JQ
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Hereford Contract Canning (HCC) Limited

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Strategic report
For the year ended 31 December 2016

Business review

Hereford Contract Canning (HCC) Ltd provides canning services for alcoholic and non-alcoholic drinks. Production started on site in May 2012 and the business has quickly grown to a turnover in excess of £10m. The results for the year build on profits in the previous years. The customer and product base continue to expand and a new warehouse has been completed to accommodate the increase in production.

Plans to install a second production line were put on hold during the year due to uncertainties in the market following the Brexit referendum. The aim is still to go ahead with the second line when the benefits to the company outweigh the risks involved.

Key performance indicators

Although Turnover is slightly up on 2015, the Gross Profit Margin has reduced due to the employment of additional staff and increases in raw materials following the fall in exchange rate of Sterling after Brexit. Return on Capital Employed has likewise reduced.

Principal risks and uncertainties

There are a number of risks which have been identified by the Company.

The Directors are of the opinion that a thorough risk management process is in place which involves the formal review of the risks identified.

Financial risk management

The Company's operations expose it to a variety of financial business risks including foreign currency exchange rates, credit risk and liquidity risk.

Foreign currency risk

The Company purchases some materials from Europe in Euros. One of our major European suppliers has agreed to invoice in Sterling going forward which has reduced the overall risk. Our exposure to currency fluctuations is not felt to be a major risk. As prices are expected to rise in the current economic climate, contracts are in place with suppliers of critical materials for the forthcoming year.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating.

Liquidity risk

The Company's policy is managed by financial management on its major contracts by negotiating favourable payable terms with respective customers and suppliers wherever possible. The Company's objective is to ensure an overall neutral or positive cash flow.

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

S Cottingham
Director

Date: 27 April 2017

Directors' report
For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 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's financial statements and then apply them consistently;
- make judgments 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.

Principal activity

The principal activity of the company during the year was the canning of drinks.

Results and dividends

The profit for the year, after taxation, amounted to £190,641 (2015: £592,637).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

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

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

Auditor

The auditor, CLB Coopers, tendered its resignation and was replaced by CLB Coopers Audit Services, who will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

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

S Cottingham
Director

Date: 27 April 2017

Independent auditor's report to the shareholders of Hereford Contract Canning (HCC) Limited

We have audited the financial statements of Hereford Contract Canning (HCC) Limited for the year ended 31 December 2016, set out on pages 7 to 22. 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 shareholders, 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 shareholders 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 shareholders as a body, 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 on page 3, 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 December 2016 and of its profit or loss 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, based on the work undertaken in the course of the audit, 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

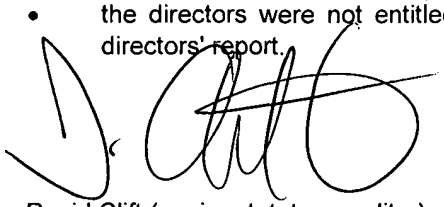
In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Independent auditor's report to the shareholders of Hereford Contract Canning (HCC) Limited (continued)

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 take advantage of the small companies' exemption in preparing the directors' report.



David Clift (senior statutory auditor)

for and on behalf of
CLB Coopers Audit Services

Statutory Auditors

Ship Canal House
98 King Street
Manchester
M2 4WU

27 April 2017

Statement of income and retained earnings (including a profit and loss account)
For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	**10,700,029**	9,778,760
Cost of sales		**(8,597,986)**	(7,286,729)
Gross profit		**2,102,043**	2,492,031
Administrative expenses		**(1,865,031)**	(1,664,210)
Operating profit	4	**237,012**	827,821
Interest payable and similar charges	7	**(17,348)**	(71,667)
Profit on ordinary activities before tax		**219,664**	756,154
Tax on profit on ordinary activities	8	**(29,023)**	(163,517)
Profit on ordinary activities after tax		**190,641**	592,637
Retained earnings at the beginning of the year		**676,887**	84,250
		676,887	84,250
Profit for the year		**190,641**	592,637
Retained earnings at the end of the year		**867,528**	676,887

The notes on pages 10 to 22 form part of these financial statements.

Hereford Contract Canning (HCC) Limited
Registered number:07415621

Balance sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	9		**2,115**		2,537
Tangible assets	10		**3,439,785**		3,319,108
Investments	11		**2**		2
			3,441,902		3,321,647
Current assets					
Stocks	12	**264,387**		251,768	
Debtors: amounts falling due within one year	13	**843,447**		942,425	
		1,107,834		1,194,193	
Creditors: amounts falling due within one year	14	**(2,199,664)**		(2,075,335)	
Net current liabilities			**(1,091,830)**		(881,142)
Total assets less current liabilities			**2,350,072**		2,440,505
Creditors: amounts falling due after more than one year	15		**-**		(310,097)
Provisions for liabilities					
Deferred tax	17	**(192,540)**		(163,517)	
			(192,540)		(163,517)
Net assets			**2,157,532**		1,966,891
Capital and reserves					
Called up share capital	18		**1,290,004**		1,290,004
Profit and loss account			**867,528**		676,887
			2,157,532		1,966,891

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

S Cottingham
Director

Date: 27 April 2017

Statement of cash flows
For the year ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	**190,641**	592,637
Adjustments for:		
Amortisation of intangible assets	**423**	423
Depreciation of tangible assets	**308,186**	293,920
Interest paid	**17,348**	(71,667)
Taxation charge	**29,023**	163,517
(Increase) in stocks	**(12,619)**	(9,267)
Decrease/(increase) in debtors	**98,975**	(363,543)
(Decrease)/increase in creditors	**(269,041)**	185,406
Net cash generated from operating activities	**362,936**	791,426
Cash flows from investing activities		
Purchase of tangible fixed assets	**(428,864)**	(162,600)
Net cash from investing activities	**(428,864)**	(162,600)
Cash flows from financing activities		
New secured loans	**600,000**	-
Repayment of loans	**(407,701)**	(433,430)
Repayment of finance leases	**(301,985)**	(571,496)
Movements on invoice discounting	**(116,662)**	358,147
Interest paid	**(17,348)**	71,667
Net cash used in financing activities	**(243,696)**	(575,112)
Net (decrease)/increase in cash and cash equivalents	**(309,624)**	53,714
Cash and cash equivalents at beginning of year	**(54,509)**	(108,223)
Cash and cash equivalents at the end of year	**(364,133)**	(54,509)
Cash and cash equivalents at the end of year comprise:		
Bank overdrafts	**(364,133)**	(54,509)
	(364,133)	(54,509)

The notes on pages 10 to 22 form part of these financial statements.

1. General information

Hereford Contract Canning (HCC) Limited is a private limited company limited by shares and incorporated in England.

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 UK and the Republic of Ireland and the Companies Act 2006.

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. In the directors' opinion, there are no significant areas of judgement nor key sources of estimation uncertainty within these financial statements.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Intangible assets

Intangible assets represent trademark registration costs. They are amortised to the profit and loss account over their estimated economic life of ten years.

2. Accounting policies (continued)

2.4 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:

Leasehold improvements	- Over the length of the lease
Plant and equipment	- 15 years
Office and computer equipment	- 3-10 years

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 profit and loss account.

2.5 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.6 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.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its estimated realisable value. The impairment loss is recognised immediately in the profit and loss account.

2.7 Debtors

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

2. Accounting policies (continued)

2.8 Financial instruments

The company only 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, 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 or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2.11 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.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. Accounting policies (continued)

2.13 Leased assets: the Company as lessee

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 statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Turnover

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**308,187**	293,921
Amortisation of intangible assets	**422**	423
Auditors' remuneration	**8,750**	8,750
Exchange differences	**29,862**	(59,489)
Other operating lease rentals	**191,450**	190,425
Defined contribution pension cost	**8,618**	-

5. Employees

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

	2016 £	2015 £
Wages and salaries	**1,607,851**	1,358,555
Social security costs	**152,344**	133,422
Cost of defined contribution scheme	**8,618**	-
	1,768,813	1,491,977

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

	2016 No.	2015 No.
Administrative	**2**	4
Production, engineering and labour	**52**	39
Directors	**6**	6
	60	49

6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**128,563**	184,625
Company contributions to defined contribution pension schemes	**557**	-
	129,120	184,625

During the year retirement benefits were accruing to 2 directors (2015: nil) in respect of defined contribution pension schemes.

7. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	**6,715**	18,557
On finance leases and hire purchase contracts	**10,633**	53,110
	17,348	71,667

8. Taxation

	2016 £	2015 £
Total current tax	**-**	-
Deferred tax		
Origination and reversal of timing differences	**29,023**	163,517
Total deferred tax	**29,023**	163,517
Taxation on profit on ordinary activities	**29,023**	163,517

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**219,663**	756,154
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	**43,933**	153,121
Effects of:		
Expenses not deductible for tax purposes	**2,522**	2,445
Other timing differences leading to an increase (decrease) in taxation	**(17,432)**	7,951
Total tax charge for the year	**29,023**	163,517

9. Intangible assets

	Trademarks £
Cost	
At 1 January 2016	**4,229**
At 31 December 2016	**4,229**
Amortisation	
At 1 January 2016	**1,692**
Charge for the year	**422**
At 31 December 2016	**2,114**
Net book value	
At 31 December 2016	**2,115**
At 31 December 2015	2,537

10. Tangible fixed assets

	Property under construction £	Leasehold improve-ments £	Plant and machinery £	Office and computer equipment £	Total £
Cost or valuation					
At 1 January 2016	**11,276**	**51,252**	**4,108,033**	**37,669**	**4,208,230**
Additions	**-**	**171,293**	**257,571**	**-**	**428,864**
Transfers between classes	**(11,276)**	**11,276**	**-**	**-**	**-**
At 31 December 2016	**-**	**233,821**	**4,365,604**	**37,669**	**4,637,094**
Depreciation					
At 1 January 2016	**-**	**6,406**	**862,877**	**19,838**	**889,121**
Charge for the period on owned assets	**-**	**21,780**	**181,899**	**2,651**	**206,330**
Charge for the period on financed assets	**-**	**-**	**101,857**	**-**	**101,857**
At 31 December 2016	**-**	**28,186**	**1,146,633**	**22,489**	**1,197,308**
Net book value					
At 31 December 2016	**-**	**205,635**	**3,218,971**	**15,180**	**3,439,786**
At 31 December 2015	11,276	44,845	3,245,156	17,831	3,319,108

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

	2016 £	2015 £
Plant and machinery	**1,079,537**	1,987,782
	1,079,537	1,987,782

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	2
At 31 December 2016	2
Net book value	
At 31 December 2016	2
At 31 December 2015	2

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Herefordshire Cider Company (HCC) Limited	England	Ordinary	100 %	Dormant
Hereford Cider Company (HCC) Limited	England	Ordinary	100 %	Dormant

12. Stocks

	2016 £	2015 £
Raw materials	**264,387**	251,768
	264,387	251,768

During the year the total cost of stock items sold was £5,011,898 (2015: £4,868,323).

13. Debtors

	2016 £	2015 £
Trade debtors	**341,206**	607,264
Other debtors	**-**	158,000
Prepayments and accrued income	**502,241**	177,161
	843,447	942,425

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	**364,132**	54,509
Bank loans	**332,078**	139,780
Trade creditors	**800,152**	732,542
Taxation and social security	**159,221**	161,802
Obligations under finance lease and hire purchase contracts	**256,322**	248,210
Invoice discounting advances	**241,485**	358,147
Accruals and deferred income	**46,274**	380,345
	2,199,664	2,075,335

There are fixed and floating charges over all assets including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

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

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	-	310,097
	-	310,097

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**341,206**	765,264
	341,206	765,264
Financial liabilities		
Financial liabilities measured at amortised cost	**1,994,168**	1,843,285
	1,994,168	1,843,285

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, obligations under finance lease and hire purchase contracts, invoice discounting advances and other creditors.

17. Deferred taxation

	2016 £	2015 £
At beginning of year	**(163,517)**	-
Charged to the profit and loss account	**(29,023)**	(163,517)
At end of year	**(192,540)**	(163,517)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	**(227,007)**	(180,798)
Tax losses carried forward	**34,467**	17,281
	(192,540)	(163,517)

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,290,004 Ordinary shares of £1 each	**1,290,004**	1,290,004

19. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	**76,720**	-
	76,720	-

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,618 (2015: £nil). No contributions were owed to the fund at the balance sheet date.

21. Commitments under operating leases

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

	2016 £	2015 £
Not later than 1 year	**228,450**	198,320
Later than 1 year and not later than 5 years	**633,442**	782,793
Later than 5 years	**572,080**	475,000
	1,433,972	1,456,113

22. Guarantees

	2016 £	2015 £
HM Revenue and Customs Guarantee	**20,000**	20,000

23. Related party transactions

At 31 December 2016 the company owed £266 (2015: was owed £158,000 by) to Corinthian Brands (CBL) Limited ("CBL"). During the year the company made sales of £7,249,542 (2015: £5,548,348) to CBL. The directors of the company have a beneficial interest in CBL.

During the year the company provided storage services to CBL, and raised various recharges totalling £262,118 (2015: £60,000), which are outstanding in full at the year end and included within prepayments and accrued income (2015: £nil).

During the year rent of £190,000 (2015: £190,000) was paid to The Burton & Hibberd Group SIPP. The Burton & Hibberd Group SIPP is related through common interests of P Burton and J Hibberd.

24. Controlling party

The directors consider that there is no ultimate controlling party.