Confections Limited

Directors' Report and Unaudited

Financial Statements

Period Ended

31 July 2017

Company Number 10326821

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Confections Limited

Contents

	Page
Directors' Report	1
Accountants' Report	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Notes to the Financial Statements	5 - 9

Confections Limited

Directors' Report
For the Period Ended 31 July 2017

The directors present their report and the financial statements for the period ended 31 July 2017.

The results are for the period from incorporation on 12 August 2016 to 31 July 2017.

The company changed its name from Confection Limited to Confections Limited on 23 August 2016. The company changed its year end to 31 July to align with fellow group undertakings.

Principal activity

The company's principal activity is that of a holding company. The principal activity of the subsidiary companies is the manufacture of confectionery.

Directors

The directors who served during the period were:

M N Adcock (appointed 14 October 2016)
G Connah (appointed 2 November 2016)
P S Simmonds (appointed 12 August 2016)

The company has put in place qualifying third party indemnity provisions for certain of the directors of Confections Limited.

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 16th March 2018 and signed on its behalf.

G Connah
Director

Confections Limited

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Financial Statements of Confections Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Confections Limited for the period ended 31 July 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance/

This report is made solely to the board of directors of Confections Limited, as a body, in accordance with the terms of our engagement letter dated 4 April 2017. Our work has been undertaken solely to prepare for your approval the accounts of Confections Limited and state those matters that we have agreed to state to the board of directors of Confections Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Confections Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Confections Limited has kept adequate accounting records and, to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Confections Limited. You consider that Confections Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Confections Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
Chartered Accountants
Manchester
United Kingdom

19 March 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Confections Limited

Statement of Comprehensive Income
For the Period Ended 31 July 2017

	Period ended 31 July 2017 £
Administrative expenses	(15,006)
Operating loss	(15,006)
Interest payable and expenses	(20,250)
Loss before tax	(35,256)
Tax on loss	-
Loss for the financial period	(35,256)
Total comprehensive income for the period	(35,256)

There was no other comprehensive income for 2017.

The notes on pages 5 to 9 form part of these financial statements.

Confections Limited
Registered number: 10326821

Statement of Financial Position
As at 31 July 2017

	Note		2017 £
Fixed assets			
Investments	5		**623,519**
Current assets			
Debtors: amounts falling due within one year	6	**153,328**	
Cash at bank and in hand		**8,148**	
		161,476	
Creditors: amounts falling due within one year	7	**(50,001)**	
Net current assets			**111,475**
Total assets less current liabilities			**734,994**
Creditors: amounts falling due after more than one year	8		**(695,250)**
Net assets			**39,744**
Capital and reserves			
Called up share capital			**75,000**
Profit and loss account			**(35,256)**
Shareholders' funds			**39,744**

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16th March 2018

G Connah
Director

The notes on pages 5 to 9 form part of these financial statements.

Notes to the Financial Statements
For the Period Ended 31 July 2017

1. General information

Confections Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities is disclosed in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency is GB Pounds.

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

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2. Accounting policies (continued)

2.8 Financial Instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured 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 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position date, except that:

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

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

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

In preparing these financial statements, the directors have had to make the following judgements:

- Investments (see note 5)
  Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

4. Employees

The average monthly number of employees, including directors, during the period was Nil.

The directors are employees of Stockleys Sweets Limited

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	**623,519**
At 31 July 2017	**623,519**
Net book value	
At 31 July 2017	**623,519**

On 2 November 2016 the Company acquired 100% of the share capital of Stockleys Sweets Limited for a consideration of £594,750.

On 24 April 2017 the Company acquired 100% of the share capital of Chocleys Limited for a consideration of £1.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Stockleys Sweets Limited	United Kingdom	Ordinary	100 %	Manufacture of confectionery
Chocleys Limited	United Kingdom	Ordinary	100 %	Manufacture of confectionery

The registered office of the above subsidiary undertakings is Duttons Way, Mitre House, Shadsworth Business Park, Blackburn, BB1 2QR.

6. Debtors

	2017 £
Amounts owed by group undertakings	153,328

Amounts owed by group undertakings are repayable on demand.

7. Creditors: Amounts falling due within one year

	2017 £
Amounts owed to group undertakings	1
Other creditors	50,000
	50,001

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

	2017 £
Shareholder loans	675,000
Accruals and deferred income	20,250
	695,250

Shareholder loans are repayable on 2 November 2026 and bear interest at a rate of 4% per annum.

The loans are unsecured.

9. Share capital

	2017 £
Shares classified as equity	
Allotted, called up and fully paid	
6,000 A Ordinary shares of £1 each	**6,000**
6,000 C Ordinary shares of £1 each	**6,000**
39,000 E Ordinary shares of £1 each	**39,000**
12,000 S Ordinary shares of £1 each	**12,000**
12,000 O Ordinary shares of £1 each	**12,000**
	75,000

On incorporation the company issued 1 Ordinary share for £1.

On 2 November 2016 the company allotted and issued a further £74,999 shares of £1 each to achieve the categorisation in the table above.

The A Ordinary, C Ordinary, S Ordinary and O Ordinary shares have the same rights in respect of voting, dividends and distributions. E Ordinary shares have no rights in respect of voting or dividends. E Ordinary share rights to distribution are determined by the value received.

10. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

11. Controlling party

There is no ultimate controlling party of Confections Limited.

Confections Limited

BDO LLP
3 Hardman Street
Manchester
M3 3AT)

Dear Sirs

Financial Statements of Confections Limited for the year ended 31 July 2017

We confirm that the following representations given to you in connection with your compilation of the company's financial statements the "financial statements" for the year ended 31 July 2017 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other directors and officials of the company.

We have fulfilled our responsibilities as directors for the preparation and presentation of the financial statements as set out in the terms of the compilation engagement letter, and in particular that the financial statements give a true and fair view of the financial position of company as of 31 July 2017 and of the results of its operations and cash flows for the year then ended in accordance with UK GAAP and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain information in order to prepare the financial statements. In addition, all the accounting records have been made available to you for the purpose of your compilation and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings have been made available to you.

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance.

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have identified no significant risks.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements.

To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

There were no loans, transactions or arrangements between the company and its directors and their connected persons at any time in the year which were required to be disclosed.

The disclosures in the financial statements concerning related party transactions are complete and adequate.

The disclosures in the financial statements concerning the controlling party of the business are accurate.

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the financial statements.

We have considered indicators of impairment of the company's fixed asset investments and consider that the net book value of the investments disclosed in note 6 to be accurate.

We have fulfilled our responsibilities as directors in terms of assessing whether the company is exempt from audit and can confirm that in respect of the year, the company meets the conditions for exemption from an audit of the accounts set out in section 477 of the Companies Act 2006, and that there is no reason that the exemption is not available for any of the reasons set out in sections 475, 476, 478 and 479 of the Companies Act 2006.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the financial statements are free of material misstatements, including omissions.

We acknowledge our legal responsibilities regarding disclosure of information to you as accountants and confirm that so far as we are aware, there is no relevant information needed by you in connection with the preparation of the accounts of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that you are aware of that information.

Yours faithfully

G Connah
(Signed on behalf of the board of directors)

Date: 16/03/2018

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