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County Confectionery Limited

Annual Report and Financial Statements Year Ended 31 May 2016

Registration number: 02226904

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County Confectionery Limited

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County Confectionery Limited

Company Information

Directors	Mr M D Brian Mr D K Brian
Registered office	Unit 5 Penbeagle Industrial Estate St Ives Cornwall TR26 2JH
Solicitors	Nalders LLP Farley House Falmouth Road Truro Cornwall TR1 2AT
Auditors	PKF Francis Clark Lowin House Tregolls Road Truro Cornwall TR1 2NA

County Confectionery Limited

Strategic Report

Year Ended 31 May 2016

The Directors present their strategic report for the year ended 31 May 2016.

Principal activity

The principal activity of the company is the manufacture of fudge and chocolate confectionery

Fair review of the business

The board are pleased to announce a profit before tax for the year ended 31 May 2016 of £1,000,752 (2015 - £857,521).

Turnover has decreased by 4.2% on the prior year, an absolute decrease of £318,384 (2015 - £540,792 increase).

Administrative costs have reduced from £1,113,940 to £995,576. Part of this reduction is due to non-recurring costs incurred in 2015 as part of a company share repurchase and related negotiations for a departing director / shareholder.

Overall the impact of the above is that operating profit has increased from £892,063 in 2015 to £1,046,722 in the year, with the operating profit margin being 14.4% (2015 – 11.8%).

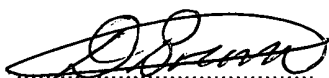
This is the first year the company has presented results in accordance with FRS 102. The last financial statements prepared under the previous GAAP were for the year ended 31 May 2015 and the date of transition was 1 June 2014.

Principal risks and uncertainties

Raw material price increases have continued to have an impact since the year end. This has been managed through a review of sourcing arrangements and discussions with suppliers in negotiating price arrangements.

Competitive pressures within the marketplace have been managed through continued investment in product quality and building strong customer relationships.

Approved by the Board on 7-2-17 and signed on its behalf by:



Mr D K Brian
Director

County Confectionery Limited

Directors' Report

Year Ended 31 May 2016

The Directors present their report and the financial statements for the year ended 31 May 2016.

Directors of the Company

The directors who held office during the year were as follows:

Mr M D Brian

Mr D K Brian

Mr K Brian (deceased 14 October 2015)

Financial instruments

Objectives and policies

The company's principal financial instruments comprise of bank balances, loans and hire purchase agreements, trade creditors and invoice discounting of debts.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank borrowings, in the form of invoice discounting, overdraft, bank loans and hire purchase agreements the liquidity risk is managed by ensuring that balances are maintained within the defined limits, and that payments are made in accordance with the terms of the debt. The monthly repayments of the debts are fixed and the Directors are aware of the company's required finance and have budgeted to make funds available as required.

Trade debtors are managed in respect of the credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Provisions are made for doubtful debts where necessary.

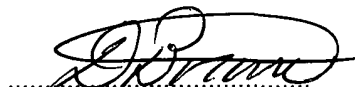
Trade creditors liquidity risk is managed by ensuring amounts due are able to be paid on a timely basis and wherever possible in accordance with the agreed credit terms of the supplier.

In order to mitigate against operational risk the Directors maintain their awareness of the continual changes in laws and regulations and plan ahead accordingly.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 7/2/17 and signed on its behalf by:



Mr D K Brian
Director

County Confectionery Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

County Confectionery Limited

Independent Auditor's Report

We have audited the financial statements of County Confectionery Limited for the year ended 31 May 2016, set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 members 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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual 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 the 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 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

County Confectionery Limited

Independent Auditor's Report

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.

PKF Francis Clark
Michael Bentley ACA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: *24/2/17*

County Confectionery Limited

Profit and Loss Account

Year Ended 31 May 2016

	Note	2016 £	2015 £
Turnover	3	7,260,416	7,578,800
Cost of sales		<u>(5,249,058)</u>	<u>(5,614,119)</u>
Gross profit		2,011,358	1,964,681
Administrative expenses		(995,576)	(1,113,940)
Other operating income	4	<u>30,940</u>	<u>41,322</u>
Operating profit	5	1,046,722	892,063
Interest payable and similar charges	9	<u>(45,970)</u>	<u>(34,542)</u>
Profit before tax		1,000,752	857,521
Taxation	10	<u>(199,638)</u>	<u>(177,245)</u>
Profit for the financial year		<u>801,114</u>	<u>680,276</u>

The above results were derived from continuing operations.

County Confectionery Limited

Statement of Comprehensive Income

Year Ended 31 May 2016

	Note	2016 £	2015 £
Profit for the year		801,114	680,276
Surplus/(deficit) on property, plant and equipment revaluation		<u>3,169</u>	<u>-</u>
Total comprehensive income for the year		<u><u>804,283</u></u>	<u><u>680,276</u></u>

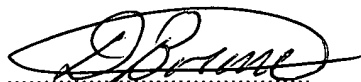
County Confectionery Limited

Balance Sheet

31 May 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	4,385,890	2,441,699
Investments	12	30,201	30,201
		<u>4,416,091</u>	<u>2,471,900</u>
Current assets			
Stocks	13	530,886	566,113
Debtors	14	1,133,209	1,489,754
Cash at bank and in hand		103,398	81,021
		<u>1,767,493</u>	<u>2,136,888</u>
Creditors: Amounts falling due within one year	16	<u>(1,233,477)</u>	<u>(1,150,634)</u>
Net current assets		<u>534,016</u>	<u>986,254</u>
Total assets less current liabilities		<u>4,950,107</u>	<u>3,458,154</u>
Creditors: Amounts falling due after more than one year	16	<u>(1,967,040)</u>	<u>(1,153,812)</u>
Provisions for liabilities	19	<u>(358,054)</u>	<u>(301,612)</u>
Net assets		<u>2,625,013</u>	<u>2,002,730</u>
Capital and reserves			
Called up share capital	21	580	580
Share premium reserve		89,758	89,758
Capital redemption reserve		580	580
Revaluation reserve		210,219	209,525
Profit and loss account		<u>2,323,876</u>	<u>1,702,287</u>
Total equity		<u>2,625,013</u>	<u>2,002,730</u>

Approved and authorised by the Board on and signed on its behalf by:



Mr D K Brian
Director

Company Registration Number: 02226904

The notes on pages 12 to 28 form an integral part of these financial statements.

County Confectionery Limited

Statement of Changes in Equity

Year Ended 31 May 2016

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2015	580	89,758	580	209,525	1,702,287	2,002,730
Profit for the year	-	-	-	-	801,114	801,114
Other comprehensive income	-	-	-	694	2,475	3,169
Total comprehensive income	-	-	-	694	803,589	804,283
Dividends	-	-	-	-	(182,000)	(182,000)
At 31 May 2016	580	89,758	580	210,219	2,323,876	2,625,013
	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2014	870	89,758	290	214,224	1,608,302	1,913,444
Profit for the year	-	-	-	-	680,276	680,276
Other comprehensive income	-	-	-	(4,699)	4,699	-
Total comprehensive income	-	-	-	(4,699)	684,975	680,276
Dividends	-	-	-	-	(95,990)	(95,990)
Purchase of own share capital	(290)	-	-	-	(495,000)	(495,290)
Other capital redemption reserve movements	-	-	290	-	-	290
At 31 May 2015	580	89,758	580	209,525	1,702,287	2,002,730

The notes on pages 12 to 28 form an integral part of these financial statements.

County Confectionery Limited

Statement of Cash Flows

Year Ended 31 May 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		801,114	680,276
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	285,312	225,591
Profit on disposal of tangible assets		(1,995)	(1,903)
Finance costs	9	45,970	34,542
Corporation tax	10	199,638	177,245
		<u>1,330,039</u>	<u>1,115,751</u>
Working capital adjustments			
Decrease/(increase) in stocks	13	35,227	(54,022)
Decrease/(increase) in trade debtors	14	356,545	(309,198)
(Decrease)/increase in trade creditors	16	(235,008)	443,374
Increase in deferred income, including government grants		<u>218,060</u>	<u>3,780</u>
Cash generated from operations		1,704,863	1,199,685
Corporation tax paid	10	<u>(110,381)</u>	<u>(152,816)</u>
Net cash flow from operating activities		<u>1,594,482</u>	<u>1,046,869</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(1,620,723)	(351,205)
Proceeds from sale of tangible assets		<u>1,995</u>	<u>8,016</u>
Net cash flows from investing activities		<u>(1,618,728)</u>	<u>(343,189)</u>
Cash flows from financing activities			
Interest paid		(45,970)	(34,542)
Payments for purchase of own shares		-	(495,001)
Proceeds from bank borrowing draw downs		395,311	250,000
Repayment of bank borrowing		(85,738)	(56,606)
Payments to finance lease creditors		(151,220)	(77,072)
Dividends paid	22	<u>(182,000)</u>	<u>(95,990)</u>
Net cash flows from financing activities		<u>(69,617)</u>	<u>(509,211)</u>
Net (decrease)/increase in cash and cash equivalents		(93,863)	194,469
Cash and cash equivalents at 1 June		<u>81,021</u>	<u>(113,448)</u>
Cash and cash equivalents at 31 May	15	<u><u>(12,842)</u></u>	<u><u>81,021</u></u>

The notes on pages 12 to 28 form an integral part of these financial statements.

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Unit 5

Penbeagle Industrial Estate

St Ives

Cornwall

TR26 2JH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Change in basis of accounting and basis statement of compliance

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 1 June 2014.

Comparatives have been restated, and an explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 25.

There are no material departures from FRS102.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Buildings	2% straight line basis
Plant and machinery - chocolate moulds	33% straight line basis
Plant and machinery - other	10% - 15% reducing balance basis
Fixtures and fittings	15% straight line basis
Motor vehicles	25% straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sale of goods	7,232,439	7,536,981
Other revenue	27,977	41,819
	<u>7,260,416</u>	<u>7,578,800</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
UK	6,330,160	6,548,677
Europe	491,891	673,643
Rest of world	438,365	356,480
	<u>7,260,416</u>	<u>7,578,800</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Government grants	<u>30,940</u>	<u>41,322</u>

5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation and impairment of tangible assets	285,312	225,591
Foreign exchange gains	(1,606)	(11,007)
Operating lease expense - plant and machinery	11,564	7,062
Profit on disposal of property, plant and equipment	<u>(1,995)</u>	<u>(1,903)</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	1,641,988	1,541,683
Social security costs	115,433	98,641
Pension costs, defined contribution scheme	<u>62,911</u>	<u>11,238</u>
	<u>1,820,332</u>	<u>1,651,562</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Production	78	78
Administration and support	<u>20</u>	<u>17</u>
	<u>98</u>	<u>95</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	86,744	49,075
Contributions paid to money purchase schemes	53,780	5,985
	<u>140,524</u>	<u>55,060</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

8 Auditor's remuneration

	2016 £	2015 £
Audit of the financial statements	<u>6,200</u>	<u>5,000</u>

9 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	18,616	12,636
Interest on obligations under finance leases and hire purchase contracts	26,763	21,906
Interest expense on other finance liabilities	591	-
	<u>45,970</u>	<u>34,542</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

10 Taxation

Tax charged/(credited) in the profit and loss account

	2016 £	2015 £
Current taxation		
UK corporation tax	140,028	110,381
Deferred taxation		
Arising from origination and reversal of timing differences	59,610	66,864
Tax expense in the income statement	<u>199,638</u>	<u>177,245</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>1,000,752</u>	<u>857,521</u>
Corporation tax at standard rate	200,150	171,504
Increase (decrease) from effect of different UK tax rates on some earnings	-	2,493
Effect of expense not deductible in determining taxable profit (tax loss)	(2,072)	10,338
Deferred tax expense (credit) relating to changes in tax rates or laws	3,218	(9,668)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	-	3,761
Tax increase (decrease) from effect of adjustment in research and development tax credit	<u>(1,658)</u>	<u>(1,183)</u>
Total tax charge	<u>199,638</u>	<u>177,245</u>
Deferred tax		
Deferred tax assets and liabilities		

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

	Liability £
2016	
Accelerated capital allowances	329,530
Deferred tax on property revaluation	28,524
	<u>358,054</u>

	Liability £
2015	
Accelerated capital allowances	269,918
Deferred tax on property revaluation	31,694
	<u>301,612</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Properties under construction £	Other property, plant and equipment £	Total £
Cost or valuation						
At 1 June 2015	673,198	367,001	75,376	-	2,709,656	3,825,231
Additions	10,663	65,238	7,995	1,305,076	840,532	2,229,504
Disposals	-	-	(9,293)	-	-	(9,293)
At 31 May 2016	<u>683,861</u>	<u>432,239</u>	<u>74,078</u>	<u>1,305,076</u>	<u>3,550,188</u>	<u>6,045,442</u>
Depreciation						
At 1 June 2015	10,570	180,861	43,076	-	1,149,025	1,383,532
Charge for the year	10,570	45,779	14,088	-	176,104	246,541
Eliminated on disposal	-	-	(9,293)	-	-	(9,293)
Impairment	-	38,772	-	-	-	38,772
At 31 May 2016	<u>21,140</u>	<u>265,412</u>	<u>47,871</u>	<u>-</u>	<u>1,325,129</u>	<u>1,659,552</u>
Carrying amount						
At 31 May 2016	<u>662,721</u>	<u>166,827</u>	<u>26,207</u>	<u>1,305,076</u>	<u>2,225,059</u>	<u>4,385,890</u>
At 31 May 2015	<u>662,628</u>	<u>186,140</u>	<u>32,300</u>	<u>-</u>	<u>1,560,631</u>	<u>2,441,699</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Included within the net book value of land and buildings above is £662,721 (2015 - £662,628) in respect of freehold land and buildings and £Nil (2015 - £Nil) in respect of short leasehold land and buildings.

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Revaluation

The fair value of the company's freehold land and buildings was revalued on 1 June 2015 by an independent valuer.

The valuation was carried out by Alder King Property Consultants.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £1,751,060 (2015 - £445,281).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Plant and machinery	1,201,346	679,998
Motor vehicles	19,211	32,300
	<u>1,220,557</u>	<u>712,298</u>

12 Investments in subsidiaries, joint ventures and associates

	2016 £	2015 £
Investments in subsidiaries	<u>30,201</u>	<u>30,201</u>
Subsidiaries		£
Cost or valuation		
At 1 June 2015 and 31 May 2016		30,201
Provision		
At 31 May 2016		-
Carrying amount		
At 31 May 2016		<u>30,201</u>
At 31 May 2015		<u>30,201</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Anglesey Fudge Company Limited	England and Wales	Ordinary	100%	100%
County Chocolates Limited	England and Wales	Ordinary	100%	100%
County's Limited	England and Wales	Ordinary	100%	100%

During the year Anglesey Fudge Company Limited was dormant. Its financial period end is 31 December.

During the year County Chocolates Limited was dormant. Its financial period end is 31 December.

During the year County's Limited was dormant. Its financial period end is 31 December.

The profit for the financial period of Anglesey Fudge Company Limited was £- and the aggregate amount of capital and reserves at the end of the period was £100.

The profit for the financial period of County Chocolates Limited was £- and the aggregate amount of capital and reserves at the end of the period was £30,100.

The profit for the financial period of County's Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

Under Section 405 of the Companies Act 2006 the above subsidiaries have not been consolidated into the Financial Statements of County Confectionery Limited on the basis that they are not material individually or in aggregate.

13 Stocks

	2016 £	2015 £
Raw materials and consumables	402,859	358,655
Finished goods and goods for resale	128,027	207,458
	<u>530,886</u>	<u>566,113</u>

14 Debtors

	2016 £	2015 £
Trade debtors	758,107	787,470
Other debtors	318,020	659,154
Prepayments	57,082	43,130
Total current trade and other debtors	<u>1,133,209</u>	<u>1,489,754</u>

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

15 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	836	300
Cash at bank	102,562	80,721
	103,398	81,021
Bank overdrafts	(116,240)	-
Cash and cash equivalents in statement of cash flows	(12,842)	81,021

16 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	17	458,414	212,568
Trade creditors		325,080	179,898
Amounts due to related parties	24	30,101	30,101
Corporation tax		140,028	110,381
Social security and other taxes		35,867	255,562
Outstanding defined contribution pension costs		785	2,999
Other creditors		149,137	292,638
Accrued expenses		58,559	35,546
Deferred income		35,506	30,941
		1,233,477	1,150,634
Due after one year			
Loans and borrowings	17	1,428,712	791,186
Deferred income		424,949	211,454
Other creditors		113,379	151,172
		1,967,040	1,153,812

17 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	725,761	451,182
Finance lease liabilities	702,951	340,004
	1,428,712	791,186

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

The above creditors are secured under the following:

First Legal Mortgage over the freehold property of County Confectionery Limited known as Unit 5, Penbeagle Industrial Estate, St Ives.

First Legal Mortgage over the freehold land of County Confectionery Limited known as Plot 4a, Penbeagle Industrial Estate, St Ives.

Debenture comprising fixed and floating charges over all assets and undertaking of County Confectionery Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

Charge over contract monies given by County Confectionery Limited.

Unlimited Composite Company Guarantee given by County Confectionery Limited, County Chocolates Limited, County's Limited and Anglesey Fudge Company Limited to secure all liabilities of each other.

	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	120,749	85,758
Bank overdrafts	116,240	-
Finance lease liabilities	221,425	126,810
	<u>458,414</u>	<u>212,568</u>

The above creditors are secured under the same securities as those disclosed for non-current loans and borrowings above.

Included in the loans and borrowings are the following amounts due after more than five years:

	2016 £	2015 £
After more than five years by instalments	<u>215,838</u>	<u>106,063</u>

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	836	2,224
Later than one year and not later than five years	2,299	-
	<u>3,135</u>	<u>2,224</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,363 (2015 - £3,755).

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

19 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 June 2015	301,612	301,612
Increase (decrease) in existing provisions	59,611	59,611
Increase (decrease) from changes in tax rates	<u>(3,169)</u>	<u>(3,169)</u>
At 31 May 2016	<u>358,054</u>	<u>358,054</u>

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £62,911 (2015 - £11,238).

Contributions totalling £785 (2015 - £2,999) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>580</u>	<u>580</u>	<u>580</u>	<u>580</u>

22 Dividends

	2016 £	2015 £
Current year interim dividend paid	<u>182,000</u>	<u>95,990</u>

23 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £322,000 (2015 - £Nil).

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

24 Related party transactions

Transactions with directors

	At 1 June 2015	Advances to directors	Repayments by director	Other payments made to company by director	Written off	Waived	At 31 May 2016
	£	£	£	£	£	£	£
2016							
Mr D K Brian							
Loan advances, interest free	-	47,714	(47,714)	-	-	-	-
Mr K Brian							
Loan advances, interest free	-	14,597	(14,597)	-	-	-	-

Mr D K Brian (Director)

During the year Mr D K Brian had expenditure paid on his behalf by the company through his director loan account of £64,346. The director was also paid dividends of £62,930 during the year.

At the balance sheet date the amount due to Mr D K Brian was £74,508 (2015: £3,569).

Mr K Brian (Director - deceased 14 October 2015)

During the year Mr K Brian had expenditure paid on his behalf by the company through his director loan account of £24,515. Dividends of £28,210 were paid to Mr K Brian's estate during the year.

At the balance sheet date the amount due to the estate of Mr K Brian was £9,403 (2015: £5,918).

County Confectionery Limited

Notes to the Financial Statements

Year Ended 31 May 2016

25 Transition to FRS 102

This is the first year that the company has presented results in accordance with FRS 102. The last financial statements prepared under the previous GAAP were for the year ended 31 May 2015, and the date of transition was 1 June 2014.

Reconciliation of Equity at 1 June 2014

	£
Funds attributable to members at 1 June 2014 under previous UK GAAP	1,786,669
Valuation of property at transition	158,468
Deferred tax on valuation of property	(31,693)
Funds attributable to members at 1 June 2014 under FRS 102	<u>1,913,444</u>

Reconciliation of Equity at 31 May 2015

	£
Funds attributable to members at 31 May 2015 under previous UK GAAP	1,894,759
Holiday Pay Accrual	(17,989)
Valuation of property at transition	158,468
Deferred tax on valuation of property	(31,693)
Additional depreciation on revalued property	(815)
Funds attributable to members at 31 May 2015 under FRS 102	<u>2,002,730</u>

Reconciliation of Profit and Loss at 31 May 2015

	£
Profit for the year ended 31 May 2015 under previous UK GAAP	699,080
Holiday Pay Accrual	(17,989)
Additional depreciation on revalued property	(815)
Profit for the year ended 31 May 2015 under FRS 102	<u>680,276</u>

The company has chosen to take advantage of the option to revalue their land and buildings to market value at the date of transition (1 June 2014) where they have previously been held at historic cost. This one-off valuation is treated as the deemed cost of the asset at this date. Associated deferred tax has been provided on this valuation as required by FRS 102.

A holiday pay accrual has been recognised this year in accordance with FRS 102 and the comparatives have been restated.