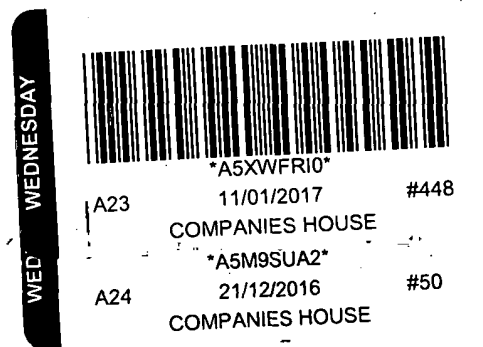


AMENDING

# Financial Statements Specialty Powders Limited

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For the period ended 31 March 2016



Registered number: 3086477

**Specialty Powders Limited**

## Company Information

**Directors**

M J Kirby  
J Nagle  
C Terry (resigned 18 January 2016)  
S J Howarth (resigned 1 March 2016)

**Registered number**

3086477

**Registered office**

4B Christchurch House Beaufort Court  
Medway City Estate  
Sir Thomas Longley Road  
Rochester  
Kent  
ME2 4FX

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
3140 Rowan Place  
John Smith Drive  
Oxford Business Park South  
Oxford  
Oxfordshire  
OX4 2WB

**Bankers**

HSBC Bank plc  
Midland House  
Seacourt  
Botley  
Oxford  
OX2 0PL

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# Directors' Report

For the period ended 31 March 2016

The directors present their report and the audited financial statements for the period ended 31 March 2016.

## **Directors' responsibilities statement**

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

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

- select suitable accounting policies and then apply them consistently;
- make 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 activities**

The Company did not trade in the current period, however prior to this the principal activity of the Company was the development and manufacture of food ingredients.

## **Directors**

The directors who served during the period were:

M J Kirby  
J Nagle  
C Terry (resigned 18 January 2016)  
S J Howarth (resigned 1 March 2016)

## **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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Specialty Powders Limited**

# Directors' Report

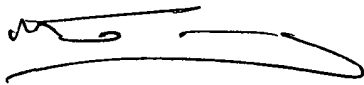
For the period ended 31 March 2016

## **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on **19 DECEMBER 2016** and signed on its behalf.



M J Kirby  
Director

## Independent Auditor's Report to the Members of Specialty Powders Limited

We have audited the financial statements of Specialty Powders Limited for the period ended 31 March 2016, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Specialty Powders Limited

### **Matters on which we are required to report by exception**

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

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

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Mark Bishop (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Oxford

Date: 19 DECEMBER 2016

# Profit and Loss Account

For the period ended 31 March 2016

	Note	15 months ended 31 March 2016 £	Restated 12 months ended 31 December 2014 £
<b>Turnover</b>	1	-	2,455,615
Cost of sales		-	(1,272,638)
		<hr/>	<hr/>
<b>Gross profit</b>		-	1,182,977
Distribution costs		-	(52,579)
Administrative expenses		(2,295,230)	(978,695)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	2	(2,295,230)	151,703
<b>Exceptional items</b>			
Profit on sale of operation	4	-	529,468
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(2,295,230)	681,171
Tax on (loss)/profit on ordinary activities	5	216,217	(311,745)
		<hr/>	<hr/>
<b>(Loss)/profit for the financial period</b>	9	(2,079,013)	369,426
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 13 form part of these financial statements.

All amounts relate to discontinued operations.



## Statement of Total Recognised Gains and Losses

For the period ended 31 March 2016

	Note	2016 £	As restated 2014 £
(Loss)/profit for the financial period		<u>(2,079,013)</u>	<u>369,426</u>
Total recognised gains and losses relating to the period		(2,079,013)	<u>369,426</u>
Prior year adjustment	10	<u>(123,668)</u>	
Total gains and losses recognised since last financial statements		<u>(2,202,681)</u>	

The notes on pages 8 to 13 form part of these financial statements.

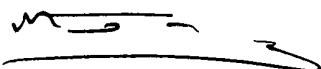
## Balance Sheet

As at 31 March 2016

			31 March 2016	Restated 31 December 2014
	Note	£	£	£
<b>Current assets</b>				
Debtors	6	-	2,295,230	
<b>Creditors: amounts falling due within one year</b>	7	(283,627)	(499,844)	
<b>Net current (liabilities)/assets</b>			(283,627)	1,795,386
<b>Total assets less current liabilities</b>			(283,627)	1,795,386
<b>Capital and reserves</b>				
Called up share capital	8		11,346	11,346
Share premium account	9		405,336	405,336
Capital redemption reserve	9		7,050	7,050
Profit and loss account	9		(707,359)	1,371,654
<b>Shareholders' (deficit)/funds</b>	11		(283,627)	1,795,386

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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



M J Kirby  
Director

**19 DECEMBER 2016**

The notes on pages 8 to 13 form part of these financial statements.

# Notes to the Financial Statements

For the period ended 31 March 2016

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

### **1.2 Going concern**

The financial statements have been prepared on the going concern basis on the basis. The ongoing support of the parent company has been confirmed, and the directors are comfortable that the company will be able to meet its commitments as they fall due, and be able to trade for at least twelve months.

### **1.3 Cash flow**

The directors have taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2015) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **1.4 Turnover**

The turnover shown in the profit and loss account represents the value of goods that have been delivered and accepted by the customer, net of VAT.

Turnover is accounted for to reflect the substance of the agreements with customers, in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), application note G. Where raw materials are provided to the Company by a customer and are used in the production of a product for that same customer, consideration is given as to who bears the risks and rewards of ownership of those raw materials. Where, on balance of evidence, it is the Company who bears the risks and rewards of ownership of the raw materials, turnover is recognised at the gross sales value, with the cost of the raw materials included within cost of sales. Where it is the customer who retains the risks and rewards of ownership, turnover is recognised as the net of the sales invoice less the costs of the raw materials.

### **1.5 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### **1.6 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

# Notes to the Financial Statements

For the period ended 31 March 2016

## **1. Accounting Policies (continued)**

### **1.7 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Notes to the Financial Statements

For the period ended 31 March 2016

## 2. Operating (loss)/profit

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

	2016	2014
	£	£
Amortisation - intangible fixed assets	-	13,915
Depreciation of tangible fixed assets:		
- owned by the company	-	53,838
Pension costs	-	13,153
Write-off of intra-group loan	2,295,230	-
Operating lease costs	-	89,420
	<u>                    </u>	<u>                    </u>

The company has no employees, other than Directors. During the period, no director received any emoluments (2014 - £71,500) for services to the company.

## 3. Auditors' remuneration

	15 months ended 31 March 2016 £	12 months ended 31 December 2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	-	3,000
	<u>                    </u>	<u>                    </u>

The audit fee for the current period has been charged to the group holding company, Specialty Powders Holdings Limited.

## 4. Exceptional items

	15 months ended 31 March 2016 £	12 months ended 31 December 2014 £
Loss/(Profit) on sale of operation	-	(529,468)
	<u>                    </u>	<u>                    </u>

During the prior year the company disposed of a division of its business, the exceptional profit above represents the profit on disposal of the related assets and liabilities.

# Notes to the Financial Statements

For the period ended 31 March 2016

## 5. Taxation

	15 months ended 31 March 2016 £	Restated 12 months ended 31 December 2014 £
<b>Analysis of tax (credit)/charge in the period/year</b>		
UK corporation tax charge on (loss)/profit for the period/year	-	311,745
Adjustments in respect of prior periods	(216,217)	-
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(216,217)</b>	<b>311,745</b>

### Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 22% (2014 - 21.5%). The differences are explained below:

	15 months ended 31 March 2016 £	Restated 12 months ended 31 December 2014 £
(Loss)/profit on ordinary activities before tax	(2,295,230)	681,171
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2014 - 21.5%)	(493,474)	146,452
<b>Effects of:</b>		
Expenses not deductible for tax purposes	493,474	8,636
Fixed asset differences	-	14,569
Adjustments to tax charge in respect of prior periods	(216,217)	-
Other differences leading to an increase in the tax charge	-	159,970
Group relief	-	(17,882)
<b>Current tax (credit)/charge for the period/year (see note above)</b>	<b>(216,217)</b>	<b>311,745</b>

## 6. Debtors

	31 March 2016 £	31 December 2014 £
Amounts owed by group undertakings	-	2,295,230

# Notes to the Financial Statements

For the period ended 31 March 2016

## 7. Creditors:

Amounts falling due within one year

	31 March 2016 £	Restated 31 December 2014 £
Amounts owed to group undertakings	166,106	-
Other taxation and social security	117,521	353,307
Accrued expenses	-	146,537
	<u>283,627</u>	<u>499,844</u>

## 8. Share capital

	31 March 2016 £	31 December 2014 £
Authorised, allotted, called up and fully paid 11,346 Ordinary shares of £1 each	<u>11,346</u>	<u>11,346</u>

## 9. Reserves

	Share premium account £	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 January 2015	405,336	7,050	291,498	1,203,824
Prior year adjustment (note 10)			(291,498)	167,830
			<u>-</u>	<u>1,371,654</u>
At 1 January 2015 (as restated)				(2,079,013)
Loss for the financial period				
	<u>405,336</u>	<u>7,050</u>	<u>-</u>	<u>(707,359)</u>

# Notes to the Financial Statements

For the period ended 31 March 2016

## 10. Prior year adjustment

The comparative figures presented have been restated to correct for expenses incurred in relation to the Drytec business sold in the prior year which should have been accrued for at 31 December 2014. These amounted to £146k. An adjustment has been made to increase the liabilities of the company by these amounts as at 31 December 2014. The result is an increase in the loss for the year ended 31 December 2014 of £123k and a reduction of the net assets at that date of the same amount.

The effect to tax expense for the year ended 31 December 2014 amounted to a decrease in tax payable of £23k.

The comparative revaluation reserves of £291,498 previously raised upon revaluation of the fixed assets, which were transferred to Knighton Foods Limited in the prior year, have been restated to move those realised revaluation reserves into the profit and loss reserves.

## 11. Reconciliation of movement in shareholders' funds

	31 March 2016 £	Restated 31 December 2014 £
Opening shareholders' funds	1,919,054	1,425,960
Prior year adjustments (note 10)	(123,668)	
	<hr/>	
Opening shareholders' funds (as restated)	1,795,386	
(Loss)/profit for the financial period/year	(2,079,013)	369,426
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(283,627)	1,795,386
	<hr/>	<hr/>

## 12. Future Commitments

There were no capital commitments or contingent liabilities at 31 March 2016 or 31 December 2014.

## 13. Related party transactions

The company has taken advantage of the exemptions within the Financial Reporting Standard for Smaller Entities (effective January 2015) not to disclose transactions with Group companies on the basis that the consolidated accounts of Specialty Powders Holdings Limited are publicly available.

## 14. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking is Specialty Powders Holdings Limited due to its majority shareholding.

Copies of the group financial statements, in which this company is consolidated, can be obtained from the ultimate parent company's registered office at 4B Christchurch House Beaufort Court, Sir Thomas Longley Road, Medway City Estate, Rochester, Kent, ME2 4FX.