

**CAVENDISH SHIPS STORES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2013**

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**CAVENDISH SHIPS STORES LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	T Hussey S Burden J Davey D Kennedy-Sloane
<b>COMPANY SECRETARY</b>	D Kennedy-Sloane
<b>REGISTERED NUMBER</b>	01433354
<b>REGISTERED OFFICE</b>	40 West Market Building London Central Markets London EC1A 9PS
<b>INDEPENDENT AUDITOR</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

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## CAVENDISH SHIPS STORES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2013

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The directors present their report and the financial statements for the year ended 31 January 2013

#### 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 principal activity of the company continued to be that of ship chandlers and wholesale of foodstuffs.

#### BUSINESS REVIEW

The reorganisation of this business around its main customer base was successfully completed during 2012/13. Whilst some of the closure costs of the Dover site were included in 2011/12, a significant proportion fell into the year under review, so the full benefit of the reduced overheads will not be seen until 2013/14.

The continuing weakness of the UK economy and a Government squeeze on household incomes has reduced discretionary spend, so demand for cruises has remained weak. Despite these problems we have been able to increase turnover by 5.9% to £22 million and improve the margins slightly by 0.3% to 8.5%. Overheads have been reduced by 11.5%, reflecting the hard work of the management team in completing the company reorganisation in an efficient and effective manner. Consequently the company has made an operating profit of £56,845, which is a significant turnaround from last year's operating loss of £(336,028).

Whilst food inflation remains one of the main problems facing the company, the current year has started very well. In particular the export trading side of the business has had a very good first quarter, which could be a sign of improving business sentiment in Europe and beyond. The annual tender exercise for cruise supply has also gone well, despite fierce competition from other suppliers, so we believe that 2013/14 should show further improvement in results.

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**CAVENDISH SHIPS STORES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**RESULTS**

The profit for the year, after taxation, amounted to £7,599 (2012 - loss £714,622)

**DIRECTORS**

The directors who served during the year were

T Hussey  
S Burden  
J Davey  
D Kennedy-Sloane

**PROVISION 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

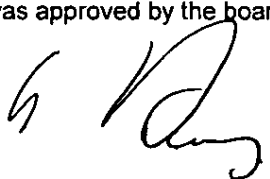
**AUDITOR**

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on

**09 JUL 2013**

and signed on its behalf



**T Hussey**  
Director

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## CAVENDISH SHIPS STORES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES LIMITED

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We have audited the financial statements of Cavendish Ships Stores Limited for the year ended 31 January 2013, set out on pages 5 to 15. 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).

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

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 Directors' report to identify material inconsistencies with the audited financial statements. 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 January 2013 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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CAVENDISH SHIPS STORES LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES  
LIMITED

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**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



Martin Israel (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH  
Date

9 July 2013

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**CAVENDISH SHIPS STORES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2013**

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	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	<b>22,056,853</b>	<b>20,829,295</b>
Cost of sales		<u>(20,186,163)</u>	<u>(19,116,295)</u>
<b>GROSS PROFIT</b>		<b>1,870,690</b>	<b>1,713,000</b>
Distribution costs		<u>(1,047,728)</u>	<u>(1,145,445)</u>
Administrative expenses		<u>(766,117)</u>	<u>(903,583)</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>56,845</b>	<b>(336,028)</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	6	<u>-</u>	<u>(551,220)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>56,845</b>	<b>(887,248)</b>
Interest receivable and similar income		-	2
Interest payable and similar charges	5	<u>(46,951)</u>	<u>(26,025)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>9,894</b>	<b>(913,271)</b>
Tax on profit/(loss) on ordinary activities	7	<u>(2,295)</u>	<u>198,649</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	14	<u><b>7,599</b></u>	<u><b>(714,622)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 7 to 15 form part of these financial statements

**CAVENDISH SHIPS STORES LIMITED**  
**REGISTERED NUMBER: 01433354**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	8		143,846		89,163
<b>CURRENT ASSETS</b>					
Stocks	9	877,031		838,637	
Debtors	10	3,951,477		3,565,021	
Cash at bank and in hand		17,165		41,381	
		<u>4,845,673</u>		<u>4,445,039</u>	
<b>CREDITORS</b> amounts falling due within one year	11	<u>(4,870,125)</u>		<u>(4,422,407)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(24,452)</u>		<u>22,632</u>
<b>NET ASSETS</b>			<u><u>119,394</u></u>		<u><u>111,795</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		650,000		650,000
Profit and loss account	14		<u>(530,606)</u>		<u>(538,205)</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u><u>119,394</u></u>		<u><u>111,795</u></u>

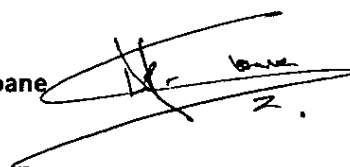
The financial statements were approved and authorised for issue by the board and were signed on its behalf on

09 JUL 2013

T Hussey  
Director



D Kennedy-Sloane  
Director



The notes on pages 7 to 15 form part of these financial statements

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## CAVENDISH SHIPS STORES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2013

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#### 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 applicable accounting standards

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

##### 1.4 Tangible fixed assets and depreciation

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

S/Term Leasehold Property	-	10% over the period of the lease
Plant & machinery	-	5-50% straight line
Motor vehicles	-	25% straight line

##### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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## CAVENDISH SHIPS STORES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2013

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 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 discounted

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

##### 1.10 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 year

#### 2. TURNOVER

The whole of the turnover is attributable to ship chandlers and wholesale of foodstuffs

A geographical analysis of turnover is as follows

	2013 £	2012 £
United Kingdom	20,120,365	18,837,057
Rest of European Union	1,871,492	1,937,380
Rest of world	64,996	54,858
	<u>22,056,853</u>	<u>20,829,295</u>

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**CAVENDISH SHIPS STORES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**3. OPERATING PROFIT/(LOSS)**

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

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	33,589	137,813
Auditor's remuneration	9,000	8,450
Auditor's remuneration - other services relating to taxation	3,250	3,250
Operating lease rentals		
- plant and machinery	119,480	109,200
- other operating leases	192,093	296,826
Difference on foreign exchange	(315)	555
(Profit)/loss on disposal of tangible fixed assets	(2,928)	(4,290)
	<u>                    </u>	<u>                    </u>

During the year, no director received any emoluments (2012 - £NIL) Directors are also directors of the holding company and are paid via this holding company

**4. STAFF COSTS**

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	712,203	752,506
Social security costs	66,938	74,985
Other pension costs	8,002	10,879
	<u>787,143</u>	<u>838,370</u>

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

	2013 No	2012 No
Office and management	12	15
Sales and distribution	17	21
	<u>29</u>	<u>36</u>

**5. INTEREST PAYABLE**

	2013 £	2012 £
On other loans	46,951	26,025
	<u>                    </u>	<u>                    </u>

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**CAVENDISH SHIPS STORES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**6. EXCEPTIONAL ITEMS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Rural Payment Agency ("RPA") duty recovery claim	-	257,406
RPA penalty less amounts already provided	-	78,704
RPA interest	-	25,712
Impairment of fixed assets in use at Dover	-	88,818
Redundancy and associated legal costs	-	100,580
	<u>-</u>	<u>551,220</u>

**7. TAXATION**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	<b>970</b>	(195,817)
Adjustments in respect of prior periods	<b>252</b>	(331)
<b>Total current tax</b>	<u><b>1,222</b></u>	<u>(196,148)</u>
<b>Deferred tax</b> (see note 12)		
Origination and reversal of timing differences	<b>1,073</b>	(2,501)
<b>Tax on profit/loss on ordinary activities</b>	<u><b>2,295</b></u>	<u>(198,649)</u>

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CAVENDISH SHIPS STORES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013

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7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *higher than*) the standard rate of corporation tax in the UK of 20% (2012 - 26.33%). The differences are explained below

	2013 £	2012 £
Profit/loss on ordinary activities before tax	9,894	(913,271)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 26.33%)	1,979	(240,464)
Effects of:		
Expenses not deductible for tax purposes	704	27,347
Capital allowances for year in excess of depreciation	145	19,622
Other short term timing differences	(1,532)	(2,322)
Adjustments to tax charge in respect of prior periods	252	(331)
Other fixed asset differences	(326)	-
Group relief	-	195,817
Receipts for group relief from fellow subsidiary	-	(195,817)
Current tax charge/(credit) for the year (see note above)	1,222	(196,148)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

**CAVENDISH SHIPS STORES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**8. TANGIBLE FIXED ASSETS**

	<b>S/Term Leasehold Property £</b>	<b>Plant &amp; machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 February 2012	76,713	704,466	51,156	832,335
Additions	11,190	35,032	41,854	88,076
Disposals	(860)	(401,109)	(12,149)	(414,118)
At 31 January 2013	<u>87,043</u>	<u>338,389</u>	<u>80,861</u>	<u>506,293</u>
<b>Depreciation</b>				
At 1 February 2012	58,313	656,056	28,803	743,172
Charge for the year	4,366	17,961	11,262	33,589
On disposals	(860)	(401,109)	(12,345)	(414,314)
At 31 January 2013	<u>61,819</u>	<u>272,908</u>	<u>27,720</u>	<u>362,447</u>
<b>Net book value</b>				
At 31 January 2013	<u>25,224</u>	<u>65,481</u>	<u>53,141</u>	<u>143,846</u>
At 31 January 2012	<u>18,400</u>	<u>48,410</u>	<u>22,353</u>	<u>89,163</u>

**9. STOCKS**

	<b>2013 £</b>	<b>2012 £</b>
Finished goods and goods for resale	<u>877,031</u>	<u>838,637</u>

**10. DEBTORS**

	<b>2013 £</b>	<b>2012 £</b>
Trade debtors	3,704,004	3,203,904
Amounts owed by group undertakings	15,227	195,817
Other debtors	64,306	32,594
Prepayments and accrued income	164,024	127,717
Deferred tax asset (see note 12)	3,916	4,989
	<u>3,951,477</u>	<u>3,565,021</u>

Included within trade debtors are factored debts of £3,620,634 (2012 £2,670,256)

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**CAVENDISH SHIPS STORES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**11. CREDITORS:**

**Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	1,899,541	1,243,734
Trade creditors	2,540,340	2,623,274
Amounts owed to group undertakings	121	-
Corporation tax	970	-
Social security and other taxes	17,546	21,210
Accruals and deferred income	411,607	534,189
	<u>4,870,125</u>	<u>4,422,407</u>

Included within bank loans and overdrafts is £1,899,541 (2012 £1,243,734) due to an invoice discount factor, which is secured over the book debts due to the company. All remaining bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and its fellow group undertakings.

**12. DEFERRED TAX ASSET**

	2013 £	2012 £
At beginning of year	4,989	2,488
Movement during year	(1,073)	2,501
At end of year	<u>3,916</u>	<u>4,989</u>

The deferred tax asset is made up as follows

	2013 £	2012 £
Accelerated capital allowances	(3,424)	(4,960)
Other timing differences	(492)	(29)
	<u>(3,916)</u>	<u>(4,989)</u>

**13. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
650,000 Ordinary shares of £1 each	<u>650,000</u>	<u>650,000</u>

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**CAVENDISH SHIPS STORES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**14. RESERVES**

	Profit and loss account £
At 1 February 2012	(538,205)
Profit for the year	7,599
At 31 January 2013	<u>(530,606)</u>

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	111,795	826,417
Profit/(loss) for the year	7,599	(714,622)
Closing shareholders' funds	<u>119,394</u>	<u>111,795</u>

**16. 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. Contributions totalling £Nil (2012 - £Nil) were payable to the fund at the balance sheet date.

**17. OPERATING LEASE COMMITMENTS**

At 31 January 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	2012 £
<b>Expiry date.</b>		
Within 1 year	-	85,000
After more than 5 years	<u>119,313</u>	<u>119,313</u>

**18. CONTINGENT LIABILITIES**

The company is party to a cross guarantee given in respect of the commercial finance facilities accorded to the group. As at 31 January 2013 amounts of £2,409,382 (2012: £4,222,022) were outstanding under these arrangements, which are not dealt with in these financial statements.

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**CAVENDISH SHIPS STORES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

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**19. RELATED PARTY TRANSACTIONS**

Cavendish Ship Stores Limited has taken advantage of the exemptions available to it as a 100% subsidiary and intra group transactions have not been disclosed in these financial statements

**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is The Burden Group Limited which owns 100% of the issued share capital of the company. The ultimate parent company is Burden Group Holdings Limited. Burden Group Holdings Limited has no overall ultimate controlling party.