

JTS (INTERNATIONAL) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013



JTS (INTERNATIONAL) LIMITED

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JTS (INTERNATIONAL) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The company's principal activity continued to be the import, distribution and factoring of confectionery

BUSINESS REVIEW

As anticipated, the business faced some challenging market conditions during the year under review but was able to maintain turnover and margin and increase profit through tighter cost control. During March 2014, the group was acquired by World of Sweets Ltd. Under the new ownership, the combined group have plans and aspirations to develop the business further through a widening of the product range, customers and markets.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risk faced by the group is the increasing level of competition from local and national wholesalers and retailers, which is managed by the continued development of product ranges and customer service.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using any KPIs in addition to turnover and operating profit is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 20th June 2014

and signed on its behalf.



M A Watson
Director

JTS (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,162,997 (2012 - £1,006,289).

The company recommends the payment of a dividend of £500,000 (2012: £500,000) for the year.

DIRECTOR

The director who served during the year was:

J T Stimpson (resigned 4 March 2014)

JTS (INTERNATIONAL) LIMITED

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

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.

This report was approved by the board on 20th Dec 2014

and signed on its behalf.



M A Watson
Director

JTS (INTERNATIONAL) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO JTS (INTERNATIONAL) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of JTS (International) Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

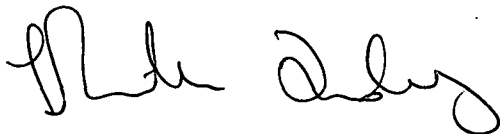
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with the regulations made under that section.



Johnathan Dudley (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 20 June 2014

JTS (INTERNATIONAL) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1	23,473,698	23,541,031
GROSS PROFIT		4,748,582	4,796,887
Distribution costs		(631,466)	(701,308)
Administrative expenses		(2,588,440)	(2,762,822)
OPERATING PROFIT	2	1,528,676	1,332,757
Interest receivable and similar income		2,520	1,024
Interest payable and similar charges	4	(15,944)	(20,938)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,515,252	1,312,843
Tax on profit on ordinary activities	5	(352,255)	(306,554)
PROFIT FOR THE FINANCIAL YEAR	13	1,162,997	1,006,289

All amounts relate to continuing operations.

The notes on pages 8 to 17 form part of these financial statements.

JTS (INTERNATIONAL) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR	1,162,997	1,006,289
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	1,162,997	1,006,289

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,515,252	1,312,843
Realisation of valuation gains of previous periods	6,130	6,130
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,521,382	1,318,973
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	1,169,127	1,012,419

The notes on pages 8 to 17 form part of these financial statements.

JTS (INTERNATIONAL) LIMITED
REGISTERED NUMBER: 01782947

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	1,548,637	1,693,564
CURRENT ASSETS			
Stocks	7	2,537,684	2,112,352
Debtors	8	6,930,320	6,347,846
Cash at bank and in hand		943,671	301,551
		<u>10,411,675</u>	<u>8,761,749</u>
CREDITORS: amounts falling due within one year	9	<u>(6,731,995)</u>	<u>(5,829,616)</u>
NET CURRENT ASSETS		<u>3,679,680</u>	<u>2,932,133</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,228,317</u>	<u>4,625,697</u>
CREDITORS: amounts falling due after more than one year	10	<u>(21,545)</u>	<u>(81,922)</u>
NET ASSETS		<u>5,206,772</u>	<u>4,543,775</u>
CAPITAL AND RESERVES			
Called up share capital	12	100,000	100,000
Revaluation reserve	13	212,309	218,439
Profit and loss account	13	4,894,463	4,225,336
SHAREHOLDERS' FUNDS	14	<u>5,206,772</u>	<u>4,543,775</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 20th June 2014



M A Watson
Director

The notes on pages 8 to 17 form part of these financial statements.

JTS (INTERNATIONAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

1.2 Going concern

As set out in note 23 subsequent to the year end the entire share capital of the parent company was acquired by World of Sweets Limited.

As part of the acquisition process bank borrowings and finance provided by the directors were repaid in full and operating finance will be provided by the new owners.

The operations of JTS Group are expected to continue, although the intention is for these activities to be hived up into World of Sweets Group.

On this basis the directors have prepared the financial statements on a going concern basis. All existing assets and liabilities have been valued on the basis of continuing activity and no adjustments for cessation of activity have been made in these financial statements.

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

Freehold property	-	2.27% straight line
Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Office equipment	-	20% reducing balance

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 18 April 2005 and will not update that valuation.

JTS (INTERNATIONAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	73,786	76,817
- held under finance leases	70,918	63,056
Auditor's remuneration	6,000	6,000
Operating lease rentals:		
- other operating leases	5,040	(5,250)
Difference on foreign exchange	(278,843)	(181,269)

During the year, no director received any emoluments (2012 - £NIL).

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	853,477	908,882
Social security costs	74,316	81,793
Other pension costs	16,352	13,482
	<u>944,145</u>	<u>1,004,157</u>

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

	2013 No.	2012 No.
Drivers and warehouse staff	4	4
Administrative	29	29
	<u>33</u>	<u>33</u>

4. INTEREST PAYABLE

	2013 £	2012 £
On other loans	3,005	8,789
On finance leases and hire purchase contracts	12,380	11,556
Other interest payable	559	593
	<u>15,944</u>	<u>20,938</u>

5. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	353,500	306,400
Adjustments in respect of prior periods	(14)	(3,146)
Total current tax	<u>353,486</u>	<u>303,254</u>
Deferred tax (see note 11)		
Origination and reversal of timing differences	(1,231)	3,300
Tax on profit on ordinary activities	<u>352,255</u>	<u>306,554</u>

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>1,515,252</u>	<u>1,312,843</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	354,278	321,611
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,504	10,450
Capital allowances for year in excess of depreciation	6,628	(2,344)
Adjustments to tax charge in respect of prior periods	(14)	(3,146)
Short term timing difference leading to an increase (decrease) in taxation	(3,284)	-
Current year overprovision	23	14
Group relief	(15,649)	(23,331)
Current tax charge for the year (see note above)	<u>353,486</u>	<u>303,254</u>

Factors that may affect future tax charges

No deferred taxation has been provided in respect of the surplus arising on the revaluation of the land & buildings. The potential liability for unrealised gains is estimated to be £9,500.

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2013	1,524,596	318,760	295,526	472,820	2,611,702
Additions	-	10,000	-	15,191	25,191
Disposals	-	(5,900)	(57,577)	-	(63,477)
At 31 December 2013	1,524,596	322,860	237,949	488,011	2,573,416
Depreciation					
At 1 January 2013	221,221	234,112	81,387	381,418	918,138
Charge for the year	28,991	22,533	70,918	22,262	144,704
On disposals	-	(5,300)	(32,763)	-	(38,063)
At 31 December 2013	250,212	251,345	119,542	403,680	1,024,779
Net book value					
At 31 December 2013	1,274,384	71,515	118,407	84,331	1,548,637
At 31 December 2012	1,303,375	84,648	214,139	91,402	1,693,564

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

	2013 £	2012 £
Motor vehicles	118,407	214,139
Office equipment	-	33,007
	118,407	247,146

Cost or valuation at 31 December 2013 is as follows:

	Land and buildings £
At cost	1,430,503
At valuation:	
Revaluation	94,093
	1,524,596

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2013 £	2012 £
Cost	1,430,503	1,430,503
Accumulated depreciation	(414,996)	(386,386)
Net book value	1,015,507	1,044,117

7. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	2,537,684	2,112,352

The difference between purchase price or production cost of stocks and their replacement cost is not material.

8. DEBTORS

	2013 £	2012 £
Trade debtors	4,228,431	3,701,664
Amounts owed by group undertakings	2,563,483	2,553,940
Prepayments and accrued income	125,175	80,242
Deferred tax asset (see note 11)	13,231	12,000
	6,930,320	6,347,846

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Net obligations under finance leases and hire purchase contracts	49,778	97,710
Trade creditors	4,840,003	3,944,406
Corporation tax	233,500	182,649
Other taxation and social security	722,822	674,939
Accruals and deferred income	885,892	929,912
	<u>6,731,995</u>	<u>5,829,616</u>

Obligations under finance leases and hire purchase contracts are secured on the underlying assets.

10. CREDITORS:
Amounts falling due after more than one year

	2013 £	2012 £
Net obligations under finance leases and hire purchase contracts	<u>21,545</u>	<u>81,922</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2013 £	2012 £
Between two and five years	<u>21,545</u>	<u>81,922</u>

Obligations under finance leases and hire purchase contracts are secured on the underlying assets.

11. DEFERRED TAX ASSET

	2013 £	2012 £
At beginning of year	12,000	15,300
Released during/(charged for) year (P&L)	1,231	(3,300)
At end of year	<u>13,231</u>	<u>12,000</u>

The deferred tax asset is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>13,231</u>	<u>12,000</u>

JTS (INTERNATIONAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

13. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2013	218,439	4,225,336
Profit for the financial year		1,162,997
Dividends: Equity capital		(500,000)
Transfer between Revaluation reserve and P&L account	(6,130)	6,130
	<u>212,309</u>	<u>4,894,463</u>
At 31 December 2013		

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	4,543,775	4,037,486
Profit for the financial year	1,162,997	1,006,289
Dividends (Note 15)	(500,000)	(500,000)
	<u>5,206,772</u>	<u>4,543,775</u>
Closing shareholders' funds		

15. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	<u>500,000</u>	<u>500,000</u>

16. PENSION COMMITMENTS

The company makes pension contributions in respect of employees into their personal pension plans and the pension charge represents the amounts payable by the company for the year in respect of these plans.

JTS (INTERNATIONAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

17. OTHER FINANCIAL COMMITMENTS

The group has a flexible business loan amounting to £583,351 which is secured by a charge over the group's assets with cross guarantees between group undertakings. The loan is repayable in monthly instalments and matures in June 2020.

The parent company's accounts includes loan notes, owed to the former director, of £606,568 which are repayable by monthly instalments.

These loans are secured by a charge over the group's assets and a cross guarantee between group companies.

See note 23.

18. RELATED PARTY TRANSACTIONS

During the year the company entered into the following related party transactions

	Balance Outstanding at 31 December 2012 £	2013 £	2012 £
Management charges paid to JTS Holdings Limited included within administration expenses	2,563,483	860,275	939,000
Dividends paid to JTS Holdings Limited	-	500,000	500,000
Purchases from Marshmallows International Limited included within cost of sales	174,510	1,109,948	885,836
Expenses incurred from Butterton Grange Stud & Racing Stables shown in administration expenses	-	99,773	96,441
Rent payable to Butterton Grange Stud & Racing stables shown in administration expenses	-	5,040	-

JTS Holdings Limited is the parent company of this company, and the balance outstanding is included within debtors.

Marshmallows International Limited is a company owned by Mr J Stimpson, the company's former director. The balance outstanding is included within creditors.

Butterton Grange Stud & Racing Stables is a business owned by Mr J Stimpson, the company's former director.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company regards JTS Holdings Limited, a company incorporated in England as its ultimate holding company. A copy of its accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.