

Company registered no: 04431556

World of Sweets Limited
Annual report and financial statements
for the year ended 31 December 2016

TUESDAY



A6DVB242

29/08/2017

#255

A08

COMPANIES HOUSE

World of Sweets Limited

Contents

Board of directors and advisers	1
Strategic report for the year ended 31 December 2016	2
Directors' report for the year ended 31 December 2016	4
Independent auditors' report to the members of World of Sweets Limited	6
Profit and loss account for the year ended 31 December 2016	8
Balance sheet as at 31 December 2016	9
Statement of changes in equity for the year ended 31 December 2016	10
Notes to the financial statements for the year ended 31 December 2016	11

World of Sweets Limited

Board of directors and advisers

Directors

V Madhu
N Madhu
S Foster
JF Summerley

Company number

04431556

Registered office

25 Jubilee Drive
Loughborough
Leicestershire
LE11 5TX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Herald Way
East Midlands
DE74 2UZ

World of Sweets Limited

Strategic report

for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The principal activity of the company is the wholesaling of confectionery products in the United Kingdom.

Business review and future developments

The company achieved sales of £41,439,000 (2015: £43,861,000) and a profit on ordinary activities before taxation of £3,229,000 (2015: £3,862,000). At 31 December 2016 the company had net assets of £9,854,000 (2015: £6,997,000). The company has plans and aspirations to develop the business through a further widening of the product range, customers and markets.

Although we expect the marketplace to be as competitive as ever, we believe we will maintain our current level of performance in the foreseeable future.

Key performance indicators ("KPIs")

Given the 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.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risk faced by the company 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. I.T. systems risk is managed by ongoing improvement and maintenance of I.T. systems and the retention of key personnel is managed by appropriate incentivisation.

Financial risk management

The company's operations expose it to a variety of financial risks that include commodity price risk, credit risk, currency risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring and minimising levels of risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department adopts policies and procedures that set out specific guidelines to manage risks and circumstances where it would be appropriate to use financial instruments to manage them.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing the exposure to commodity price risk exceeds any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Currency risk

The group of which the company is a member utilizes forward foreign currency contracts to mitigate risks associated with foreign currency purchases.

World of Sweets Limited

Strategic report

for the year ended 31 December 2016 (continued)

Credit risk

The company has implemented policies that require appropriate credit checks on potential and continuing customers before credit sales are made and then monitored to ensure these terms are subsequently complied with.

Liquidity risk

The group of which the company is a member maintains appropriate liquidity through its working capital and loan facilities to ensure the company has sufficient available funds for operations and planned expansion.

Interest rate cash flow risk

The group of which the company has both working capital facilities and longer term loan finance. In order to ensure stability of cash flows and hence manage interest rate risk, the group has an interest rate swap to limit the maximum rate in respect of bank loans.

On behalf of the board



S Foster
Director

28 June 2017

World of Sweets Limited

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Results and dividends

The profit for the financial year after taxation amounted to £2,857,000 (2015: £3,501,000). The directors recommend a final dividend payment of £nil (2015: £nil).

Future developments

The future developments are detailed in the strategic report on page 2.

Research and development

We continue to invest in the systems, both at our depots and Head Office, to enable us to provide better product ranges, consistent quality, and improved customer service.

Principal risks and uncertainties

The principal risks and uncertainties are detailed in the strategic report on page 2.

Financial risk management

The financial risk management is detailed in the strategic report on pages 2 and 3.

Political donations

During the year the company made no donations (2015: £nil) to any political party.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

MA Watson (resigned 12 April 2017)

S Foster (appointed 27 July 2016)

JF Summerley

RJ Garner (resigned 12 April 2017)

V Madhu (appointed 12 April 2017)

N Madhu (appointed 12 April 2017)

Qualifying third party indemnity provision

The company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in place during the financial year and also at the date of approval of the financial statements.

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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:

World of Sweets Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have 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.


The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S Foster
Director
28 June 2017

World of Sweets Limited

Independent auditors' report to the members of World of Sweets Limited

Report on the financial statements

Our opinion

In our opinion, World of Sweets Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

World of Sweets Limited

Independent auditors' report to the members of World of Sweets Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Gillian Hinks (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 June 2017

World of Sweets Limited

Profit and loss account for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	3	41,439	43,861
Cost of sales		(33,537)	(35,692)
Gross profit		7,902	8,169
Distribution costs		(1,802)	(1,809)
Administrative expenses		(2,871)	(2,498)
Operating profit and profit before taxation	4	3,229	3,862
Tax on profit	6	(372)	(361)
Profit for the financial year		2,857	3,501

There are no recognised gains or losses for the financial years stated above other than those included above. Accordingly, no separate statement of comprehensive income is presented.

The results presented are all derived from continuing activities.

World of Sweets Limited

Balance sheet as at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	7	2,662	3,017
Tangible assets	8	147	182
Investments	9	1,662	1,662
		4,471	4,861
Current assets			
Debtors	10	15,122	14,985
Cash at bank and in hand		38	196
		15,160	15,181
Creditors: amounts falling due within one year	11	(9,777)	(13,045)
Net current assets		5,383	2,136
Total assets less current liabilities		9,854	6,997
Net assets		9,854	6,997
Capital and reserves			
Called up share capital	13	-	-
Retained earnings		9,854	6,997
Total equity		9,854	6,997

The notes on pages 11 to 22 form part of these financial statements.

These financial statements on pages 8 to 22 were approved by the board of directors on 28 June 2017 and were signed on its behalf by:



S Foster
Director

World of Sweets Limited

Registered number: 04431556

World of Sweets Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
As at 31 December 2014 and 1 January 2015	-	3,496	3,496
Profit for the financial year and total comprehensive income	-	3,501	3,501
As at 31 December 2015 and 1 January 2016	-	6,997	6,997
Profit for the financial year and total comprehensive income	-	2,857	2,857
As at 31 December 2016	-	9,854	9,854

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016

1. Summary of significant accounting policies and general information

World of Sweets Limited has a principal trade of cash and carry confectionery wholesaling through a national network of cash and carry depots.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 25 Jubilee Drive, Loughborough, Leicestershire, LE11 5TX.

Statement of compliance

The financial statements of World of Sweets Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

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.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern

The company meets its day-to-day working capital requirements through its available cash reserves and banking facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis on preparing its financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows includes the company's cash flows; and

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Summary of significant accounting policies and general information (continued)

- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7
- From including certain financial instrument disclosures as equivalent disclosures are contained in the consolidated financial statement of the group.

Consolidated financial statements

The company is a wholly owned subsidiary of Hancocks Holdings Limited and of its ultimate parent, Hancocks Topco Limited. It is included in the consolidated financial statements of Hancocks Topco Limited which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Foreign currency

The financial statements are presented in pound sterling and rounded to thousands.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. At each period end foreign currency monetary assets and liabilities are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transactions and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

Related party transactions

The company is exempt from disclosing other related party transactions with other companies that are wholly owned within the Group.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised and amortised over the period of expected benefit. This is considered to be a period of 10 years for the JTS acquisition made in 2014.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Summary of significant accounting policies and general information (continued)

Tangible fixed assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use or dismantling and restoration costs. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	2-5 years
---------------------	-----------

Impairment

Intangible and tangible assets are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the assets or from the discounted future earnings from operating the assets.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Payments under operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transactions is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial asset measured at amortised cost are assessed for objective evidence for impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the profit and loss account.

Basic financial liabilities, including trade and other payables, loans from fellow group companies and overdrafts are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transactions is measured at the present value of the future payments discounted at a market rate of interest.

The company does not apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. The company utilises forward exchange contracts to mitigate the risk of adverse exchange rate movements on foreign currency denominated inventory purchases. These financial instruments are measured at the fair market value, at the balance sheet date, with the gain or loss arising being recognised within the profit and loss account. The relating asset or liability is included within other debtors or other creditors.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Summary of significant accounting policies and general information (continued)

Pensions

The company is part of the group defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Customer rebates

Customer rebates are recognised in line with the associated sales based on the customer agreement in place. These rebates are assessed at the year end and held in accruals for the likely settlement costs and these are maintained for an appropriate period in line with industry guidance.

Tax

The tax payable is based on the taxable profit for the year. Taxable profit differs from the profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it also excludes items which are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on enacted or substantially enacted taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the corporation tax and deferred tax provisions in the period in which such determination is made.

Turnover

Turnover represents the amounts (excluding value added tax and net of trade discounts and rebates) derived from the provision of goods to customers during the year, recognised on delivery to or collection of goods by customers when the significant risk and rewards of ownership have been transferred.

Reserves

Retained earnings represents cumulative net profits from the profit and loss account and comprehensive income. Movements on the reserve are set out in the statement of changes in equity.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

2. Critical accounting judgements and estimation uncertainty

The company makes a limited number of material estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Complex customer arrangements

As part of the normal course of business, the company has entered into arrangements with customers whereby retrospective discounts are applied to invoiced sales, based upon the achievement of certain criteria by the company's customers. The criteria behind each agreement can vary and is often dependent upon the sales performance in the customers defined periods. An estimation of this likely amounts to be paid to customers is made at the point of sale and this is reviewed at the end of each reporting period. Amounts are held within accruals for the likely settlement costs and these are maintained for a period of three full years following the year in which the claim relates to in line with industry guidance.

3. Turnover

Turnover by destination is analysed as follows:

	2016	2015
	£'000	£'000
Within the UK	38,381	40,887
Overseas markets including Republic of Ireland	3,058	2,974
	41,439	43,861

All turnover relate to the sale of goods to wholesale customers.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4. Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£'000	£'000
Wages and salaries	697	763
Social security costs	83	78
Other pension costs	46	49
Total staff costs	826	890
Inventory recognised as an expense	33,537	36,042
Amortisation of intangible assets	355	355
Depreciation of tangible assets	176	176
Profit on the sale of fixed assets	-	(25)
Operating lease charges – plant & equipment	64	48
Bad debt expense write offs	31	65

Auditors remuneration of £12,000 (2015: £12,000) and fees for other services are paid by Hancocks Acquisition Limited and no recharges were made to the company for such costs.

The directors' emoluments in 2016 and 2015 were paid by Hancocks Acquisition Limited and Hancocks Holdings Limited. It is not possible to make an accurate apportionment of these emoluments in respect of each subsidiary. The total emoluments of the directors are disclosed in the financial statements of those companies.

5. Staff numbers

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

	2016	2015
	Number	Number
Management	13	13
Sales	12	12
	25	25

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6. Tax on profit

	2016	2015
	£'000	£'000
Current tax:		
UK corporation tax on profit for the year	395	336
Prior year adjustments	(5)	-
Total current tax	390	336
Deferred tax – origination and reversal of timing differences		
- current year	(22)	24
- effect of changes in tax rates	4	1
Total deferred taxation (note 12)	(18)	25
Total tax on profit	372	361

The tax charge for the year is lower than the standard rate of corporation tax charge in the UK of 20% (2015: 20.25%). The differences are explained as follows:

	2016	2015
	£'000	£'000
Profit before taxation	3,229	3,862
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK at 20% (2015: 20.25%)	646	782
Effects of:		
Expenditure not deductible for tax purposes	71	72
Tax rate changes	4	1
Group relief not paid for	(344)	(494)
Adjustments in respect of prior years	(5)	-
Total tax charge	372	361

Reduction to the UK corporation tax rates were included in the Finance Act 2015 and 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. These changes were substantively enacted at the balance sheet date and therefore the deferred tax impact of these changes have been included in these financial statements.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

7. Intangible assets

	Goodwill
	£'000
Cost	
As at 1 January 2016 and at 31 December 2016	3,550
Accumulated amortisation	
At 1 January 2016	533
Charge for the year	355
At 31 December 2016	888
Net book amount	
At 31 December 2016	2,662
At 31 December 2015	3,017

This purchase goodwill relates to the difference between the total consideration paid and the net book value of the assets arising on the transfer of the trade and assets of JTS (International) Limited to the company.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8. Tangible assets

**Plant and
machinery
£'000**

Cost

At 1 January 2016 1,311

Additions 141

At 31 December 2016 1,452

Accumulated depreciation

At 1 January 2016 1,129

Charge for the year 176

At 31 December 2016 1,305

Net book value

At 31 December 2016 147

At 31 December 2015 182

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

9. Investments

Investment
in subsidiary
undertakings
£'000

Cost and net book value

At 1 January 2016 and at 31 December 2016

1,662

Subsidiary undertakings	Country of registration	Principal activity	Class of shares held	% share holding
JTS Holdings Limited	England	Dormant	Ordinary	100%
JTS (International) Limited*	England	Dormant	Ordinary	100%

*indicates indirect holding.

Both subsidiaries are registered at 25 Jubilee Drive, Loughborough, Leicestershire, LE11 5TX.

The directors consider that the carrying value of the investments is supported by their underlying net assets.

10. Debtors

	2016	2015
	£'000	£'000
Trade debtors	9,060	8,051
Amounts owed by group undertakings	6,025	6,915
Other debtors	4	2
Deferred tax asset (note 12)	26	8
Prepayments and accrued income	7	9
	15,122	14,985

Amounts owed by and to group undertakings are unsecured, interest free and have no fixed repayment dates.

Trade debtors are stated after provisions for impairment of £23,000 (2015: £51,000).

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

11. Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Bank loans and overdrafts	252	3,769
Amounts owed to group undertakings	8,700	8,309
Corporation tax payable	-	161
Other creditors	189	21
Accruals and deferred income	636	785
	9,777	13,045

Amounts owed by and to group undertakings are unsecured, interest free and have no fixed repayment dates.

The company's financing facility includes a revolving credit facility of £14,800,000 to cover working capital and liquidity commitments. Interest is charged at LIBOR plus 4% on the drawn down amount. A commitment fee of 1.5% is charged on the undrawn amount. This facility is shared between the company and a fellow intercompany member, Hancock Cash & Carry Limited. Bank borrowings were secured by fixed and floating charges over the Hancocks Topco Limited's group assets together with cross guarantees between all group companies.

12. Deferred taxation

	£'000
Deferred tax asset at 1 January 2016	8
Credited to profit and loss account (note 6)	18
Deferred tax asset at 31 December 2016	26

Being	2016	2015
	£'000	£'000
Accelerated capital allowances	26	8
Deferred tax asset	26	8

13. Called up share capital

	2016	2015
	£	£
1 (2015: 1) ordinary share of £1	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

14. Capital and other commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
	£'000	£'000
Payment due date		
Not later than one year	43	42
Later than one year and not later than five years	23	38
	66	80

15. Contingent liabilities

The company has given cross guarantees in respect of £37.8m (2015: £22.7m) of parent company borrowings.

16. Pension scheme

The company is part of a group defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £46,000 (2015: £49,000). There were no prepaid or accrued contributions at the beginning or end of the year.

17. Related party transactions

Bobby's Foods Limited became a fellow subsidiary within the Hancocks Topco Limited group with 90% of the shares held by the group on 14 October 2016. World of Sweets has sold £843,000 of product to Bobby's Foods Limited in the period from that date to 31 December 2016 and was owed £470,000 at that date.

18. Ultimate parent company and controlling parties

The immediate parent company is Hancocks Holdings Limited and the ultimate parent company as of 31 December 2016 was Hancocks Topco Limited, registered in England and Wales.

Copies of the financial statements of Hancocks Topco Limited, which is the only group company to prepare consolidated financial statements, can be obtained from the registrar of Companies, Companies House, Crown Way, Cardiff.

H2 Equity Partners managed the interests of the investing H2 Equity funds, which held the majority of the shares in the ultimate parent company as of 31 December 2016, and was represented on the board of that company. The group was acquired by Innovative Bites Limited on 12 April 2017 and its ultimate controlling party is now V and N Madhu.