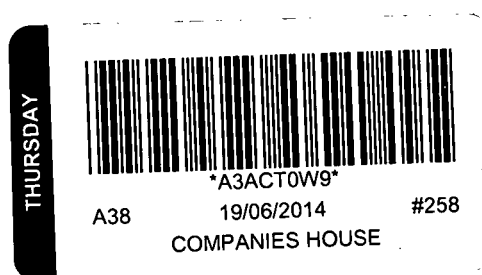


Hancocks Group Holdings Limited

Annual report and financial statements
for the year ended 31 December 2013

Registered number: 05652019



Hancocks Group Holdings Limited

Annual report and financial statements for the year ended 31 December 2013

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Hancocks Group Holdings Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013. In the prior year, the directors presented consolidated financial statements. The group is now consolidated in Hancocks Topco Limited and these financial statements present the results and financial position of the entity. Accordingly, the comparative information has been represented.

Principal activities

The company acts as an intermediate holding company for a group which has continued its principal trade of cash and carry confectionery wholesaling through a national network of depots and its central bulk delivery service.

Results

The profit for the financial year amounts to £13,453,627 (2012: loss of £5,204).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using any KPIs 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 and group's strategy are subject to a number of risks and these are disclosed in the financial statements of Hancocks Topco Limited. The key business risk faced by the company is the impact of any factors affecting the financial performance of the company's subsidiaries and hence the value of the company's investment in these.

On behalf of the board



RJ Garner
Director
28 May 2014

Hancocks Group Holdings Limited

Directors' report for the year ended 31 December 2013

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

Directors

The directors who held office, together with changes during the year and subsequently, were:

MA Watson
S Gilbert
PHL Kalverboer
JF Summerley
RJ Garner

Dividends

During the year the directors paid an interim dividend of £12,900,000 (2012: £nil).

Future developments

The group have plans and aspirations to develop the business and ultimately to realise the investment through a further widening of the product range, customers and markets including increased geographical coverage from new depot openings and selected acquisition opportunities. Following the year end the group acquired another confectionary wholesaler, JTS (International) Limited for consideration of £5m, funded from cash resources.

Financial risk management

The company holds an investment in a subsidiary. External finance is managed by the group as a whole and, as part of this, the company is financed by intra group debt and by equity. Realisation of the investment depends on performance of the trading subsidiaries and this is monitored by the directors and by group management as a whole in order to respond to changes in the market and maintain product development.

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.

Hancocks Group Holdings Limited

Directors' report for the year ended 31 December 2013 (continued)

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 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent ; 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.

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



RJ Garner
Director
28 May 2014

Hancocks Group Holdings Limited

Independent auditors' report to the members of Hancocks Group Holdings Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

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

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Hancocks Group Holdings Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Hancocks Group Holdings Limited

Independent auditors' report to the members of Hancocks Group Holdings Limited (continued)

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.

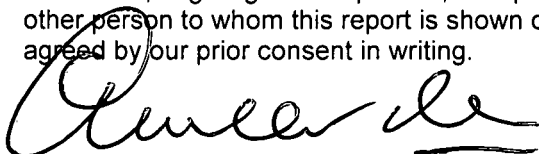
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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.



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

29 May 2014

Hancocks Group Holdings Limited

Profit and loss account for the year ended 31 December 2013

		2013	2012
	Note	£	£
Operating costs		(4,077)	(3,848)
Operating loss		(4,077)	(3,848)
Income from shares in group undertakings		13,457,704	-
Profit/(loss) on ordinary activities before taxation	2	13,453,627	(3,848)
Tax on profit/(loss) on ordinary activities	4	-	(1,356)
Profit/(loss) for the financial year	10	13,453,627	(5,204)

All operations relate to continuing activities.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

There are no recognised gains or losses other than those stated above.

Hancocks Group Holdings Limited

Balance sheet as at 31 December 2013

		2013	2012
	Note	£	£
Fixed assets			
Investments	5	1,331,553	1,331,553
Current assets			
Debtors	6	12,444,927	4,987,754
Creditors: amounts falling due within one year	7	(11,698,968)	(4,795,422)
Net current assets		745,959	192,332
Total assets less current liabilities		2,077,512	1,523,885
Creditors: amounts falling due after more than one year	8	(636,000)	(636,000)
Net assets		1,441,512	887,885
Capital and reserves			
Called up share capital	9	542,452	542,452
Capital redemption reserve	10	216,850	216,850
Share premium account	10	127,500	127,500
Profit and loss account	10	554,710	1,083
Total shareholders' funds	11	1,441,512	887,885

These financial statements on pages 6 to 12 were approved by the board of directors on 28 May 2014 and were signed on its behalf by:



RJ Garner
Director

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

The financial statements have been prepared under the Companies Act 2006 and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

These financial statements have been prepared on the going concern basis and under the historical cost convention.

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996), 'Cash Flow Statements' to prepare a cash flow statements as it is a wholly owned subsidiary undertaking of Hancocks Topco Limited and its cash flows are included within the consolidated cash flow statement of that company.

The company has taken the exemption from the requirement to prepare consolidated financial statements under the Companies Act 2006 since it is a wholly owned subsidiary included in the consolidated financial statements of Hancocks Topco Limited.

Related party transactions

As the company is a wholly owned subsidiary of Hancocks Topco Limited, the company has also taken advantage of the exemption contained in Financial Reporting Standard No 8, 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

Investments

Fixed asset investments are shown at cost less any provision for impairment. In the company balance sheet, investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, are measured by reference to cash paid or the nominal value of the shares issued. Any premium is not recognised where merger relief is taken.

Taxation

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard Number 19, 'Deferred Tax'. It is measured at the rate of tax that has been substantively enacted at the balance sheet date which is expected to apply when differences reverse.

2 Profit/(loss) on ordinary activities before taxation

This is stated after charging:

	2013	2012
	£	£
Auditors' remuneration for audit	1,000	1,000
Tax compliance services	1,000	1,000

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

3 Directors emoluments

The directors received no remuneration for their services to the company (2012: £nil)..

4 Tax on profit/(loss) on ordinary activities

	2013	2012
	£	£
Current tax		
UK corporation tax on profit /(loss) for the year	-	-
Adjustment in respect of prior years	-	1,356
Total current tax	-	1,356
Tax charge on profit/(loss) on ordinary activities	-	1,356

Factors affecting the tax charge for the year

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

	2013	2012
	£	£
Profit/(loss) on ordinary activities before taxation	13,453,627	(3,848)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK at 23.25 (2012: 24.5%)	3,127,968	(943)
Effects of		
Dividends not deductible for tax purposes	(3,128,916)	-
Group relief not paid for	948	943
Adjustments in respect of prior years	-	1,356
Total current tax charge	-	1,356

The Finance Act in July 2012 reduced UK corporation tax to 23% from April 2013 and further reductions to 21% by April 2014 and to 20% by April 2015 were enacted in July 2013.

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Fixed asset investments

Company	Interest in group undertakings			
£				
Cost and net book value				
At 1 January 2013 and at 31 December 2013				1,331,553
Principal subsidiary undertakings	Country of registration	Principal activity	Class of shares held	% share holding
Hancocks Holdings Limited	England	Management services	Ordinary	100%
Hancocks Retail Limited	England	Confectionery, wholesale and retail **	Ordinary	100%
Hancock Cash & Carry Limited*	England	Confectionery cash and carry	Ordinary	100%
International Confectionery Agencies Limited*	England	Confectionery wholesaler **	Ordinary	100%
World of Sweets Limited*	England	Confectionery wholesaler	Ordinary	100%

* indicates indirect holding.

** ceased trading at 31 December 2013 on transfer of trade to World of Sweets Limited

6 Debtors

	2013	2012
	£	£
Amounts owed by group undertakings	12,444,927	4,389,303
Tax recoverable	-	555,451
Directors' loans	-	43,000
	12,444,927	4,987,754

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Creditors: amounts falling due within one year

	2013	2012
	£	£
Amounts owed to group undertakings	11,697,623	4,235,876
Other creditors	1,345	-
Corporation tax	-	559,546
	11,698,968	4,795,422

8 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Amounts owed to group undertakings	636,000	636,000

Amounts owed by and to group undertakings are interest free and unsecured. £636,000 owed has no fixed repayment date although confirmation has been given that this will not be payable before 1 January 2015.

9 Called up share capital

	2013	2012
	£	£
Allotted and fully paid		
2,169,808 (2012: 2,169,808) ordinary shares of £0.25 each	542,452	542,452

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£	£	£
At 1 January 2013	127,500	216,850	1,083
Profit for the financial year	-	-	13,453,627
Dividends paid of £5.945 per share	-	-	(12,900,000)
At 31 December 2013	127,500	216,850	554,710

11 Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Profit/(loss) for the financial year	13,453,627	(5,204)
Issue of ordinary share capital	-	67,500
Dividends paid	(12,900,000)	-
Opening shareholders' funds	887,885	825,589
Closing shareholders' funds	1,441,512	887,885

12 Contingent liabilities

The company has given guarantees and its assets are secured by fixed and floating charges in respect of £23.9m of parent company borrowings.

13 Related party transactions, ultimate parent company and controlling party

The immediate parent company is Hancocks Acquisition Limited and the ultimate parent company is Hancock Topco Limited.

Copies of the consolidated 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 manages the interests of the investing H2 Equity funds, which hold the majority of the shares in the ultimate parent company, and is represented on the board of that company.