

Company registered no: 05652019

Hancocks Group Holdings Limited
Annual report and financial statements
for the year ended 31 December 2018

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Hancocks Group Holdings Limited

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Hancocks Group Holdings Limited

Board of directors and registered office

Directors

W Beedle

S Foster

Company number

05652019

Registered office

25 Jubilee Drive

Loughborough

Leicestershire

LE11 5TX

Hancocks Group Holdings Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

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.

Business review and future developments

The result for the financial year amounts to £nil (2017: loss of £5,000). At 31 December 2018 the company had net assets of £1,421,000 (2017: £1,421,000).

There are no plans to make any changes to the activity of this company in the foreseeable future. The group have plans and aspirations to develop the trading businesses through a further widening of the product range, customers and markets and ultimately to realise the investment in the subsidiaries.

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 for the group trading companies is not necessary for an understanding of the development, performance or position of the business.

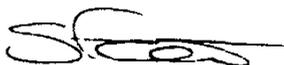
Principal risks and uncertainties

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 IB Group Ltd. 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.

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.

On behalf of the board



S Foster
Director
3 June 2019

Hancocks Group Holdings Limited

Directors' report for the year ended 31 December 2018

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2018.

Results and dividends

The result for the year after taxation amounted to £nil (2017: loss of £5,000).

Future developments

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

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 page 2.

Directors

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

W Beedle	(appointed 23 April 2018)
S Foster	(appointed 23 April 2018)
V Madhu	(resigned 23 April 2018)
N Madhu	(resigned 23 April 2018)

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 force during the year and also at the date of approval of the financial statements.

Hancocks Group Holdings Limited

Directors' report for the year ended 31 December 2018 (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, 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:

- 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.

On behalf of the board



S Foster
Director
3 June 2019

Hancocks Group Holdings Limited

Profit and loss account for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Operating expenses		-	(5)
Loss before taxation	Error! Referenc	-	(5)
Tax on loss	4	-	-
Loss for the financial year		-	(5)

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.

Hancocks Group Holdings Limited

Balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	5	1,332	1,332
Current assets			
Debtors	6	20,240	20,240
Creditors: amounts falling due within one year	7	(20,151)	(20,151)
Net current assets		89	89
Total assets less current liabilities		1,421	1,421
Net assets		1,421	1,421
Capital and reserves			
Called up share capital	8	542	542
Share premium account		128	128
Capital redemption reserve		217	217
Retained earnings		534	534
Total equity		1,421	1,421

The notes on pages 8 to 14 form part of these financial statements.

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 5 to 14 were approved by the board of directors on 3 June 2019 and were signed on its behalf by:



S Foster
Director

Hancocks Group Holdings Limited

Registered number: 05652019

Hancocks Group Holdings Limited

Statement of changes in equity

	Called up share capital	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
As at 31 December 2016 and 1 January 2017	542	128	217	539	1,426
Loss for the financial year and total comprehensive expense	-	-	-	(5)	(5)
As at 31 December 2017 and 1 January 2018	542	128	217	534	1,421
Result for the financial year and total comprehensive income	-	-	-	-	-
As at 31 December 2018	542	128	217	534	1,421

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018

1. Summary of significant accounting policies and general information

Hancocks Group Holdings Limited 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.

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 Hancocks Group Holdings 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.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The accounts are not considered to contain any areas involving a higher degree of judgement or complexity and therefore no further disclosures are required.

Going concern

The company meets its funding requirements through group banking facilities and support. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group 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 and 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;
- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- From disclosing related party transactions with other wholly owned companies in the group; and
- From including certain financial instrument disclosures as equivalent disclosures are contained in the consolidated financial statement of the group.

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

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

Consolidated financial statements

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

Functional 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.

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.

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.

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.

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

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

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.

Financial instruments

Basic financial assets, including trade and other receivables and investments 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.

Financial liabilities

Basic financial liabilities, including bank loans, loans from fellow group companies are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Loss before taxation

The company has taken an audit exemption.

The emoluments of the directors are paid by Innovative Bites Limited, Hancocks Holdings Limited and Hancocks Acquisition Limited, which make no recharge to the company. All directors are also directors of the parent company and a number of group companies and as such it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the result for Hancocks Group Holdings Limited includes no emoluments in respect of the directors.

3. Staff numbers

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

	2018 Number	2017 Number
Management	2	5

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

4. Tax on loss

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on loss for the year	-	-
Total tax on loss	-	-

Factors affecting the tax for the year

The tax for the year is equal to/(lower) than the standard rate of corporation tax charge in the UK of 19% (2017:19.25%). The differences are explained as follows:

	2018 £'000	2017 £'000
Loss before taxation	-	(5)
Loss before taxation multiplied by standard rate of corporation tax in the UK at 19% (2017: 19.25%)	-	(1)
Effects of:		
Group relief surrendered and not paid for	-	1
Total tax	-	-

Reductions to the UK corporation tax rates were included in the Finance Act (No.2) 2015 and Finance Bill 2016. These reduced the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5. Investments

				Investment in subsidiary undertakings
				£'000
Cost and net book value				
At 1 January 2018 and at 31 December 2018				1,332
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	Dormant entity	Ordinary	100%
Hancock Cash & Carry Limited*	England	Confectionery cash and carry	Ordinary	100%
World of Sweets Limited*	England	Confectionery wholesale	Ordinary	100%
JTS Holdings Limited*	England	Confectionery wholesale	Ordinary	100%
JTS (International) Limited*	England	Confectionery wholesale	Ordinary	100%
International Confectionery Agencies Limited*	England	Dormant entity	Ordinary	100%
Hancock Group Properties Limited*	England	Dormant entity	Ordinary	100%
RE & B Hancock (Birmingham) Limited*	England	Dormant entity	Ordinary	100%
RE & B Hancock (Manchester) Limited*	England	Dormant entity	Ordinary	100%
RE & B Hancock (Stoke) Limited*	England	Dormant entity	Ordinary	100%
Hancocks Confectionery (UK) Limited*	England	Dormant entity	Ordinary	100%
Hancocks (Retail UK) Limited*	England	Dormant entity	Ordinary	100%
Charnwood Golf & Leisure Centre Limited*	England	Dormant entity	Ordinary	100%

* Indicates indirect holding.

The directors consider that the carrying value of the investments is supported by their underlying assets and trading prospects

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Investments (continued)

Subsidiary undertakings	Country of registration	Principal activity	Class of shares held	% share holding
Bobby's Acquisition Limited*	England	Intermediate holding company	Ordinary	100%
Bobby's Foods Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods Northern Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods Midlands Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods Scotland Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods Southern Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods South Wales Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods North East Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods North West Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods South East Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods North London* Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods East Anglia Limited*	England	Wholesale food and confectionery	Ordinary	100%
Bobby's Foods South West Limited*	England	Wholesale food and confectionery	Ordinary	100%

*held indirectly.

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

6. Debtors

	2018	2017
	£'000	£'000
Amounts owed by group undertakings	20,240	20,240

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

7. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Amounts owed to group undertakings	20,151	20,151

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

Hancocks Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8. Called up share capital

	2018	2017
	£'000	£'000
<hr/>		
Allotted and fully paid		
2,169,808 (2017: 2,169,808) ordinary shares of £0.25 each	542	542
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There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital. There were no transactions effecting share capital in the current or prior financial year.

9. Contingent liabilities

The company has given cross guarantees in respect of £124.4m (2017: £116.5m) of parent company borrowings.

10. Ultimate parent company and controlling parties

The immediate parent company is Hancocks Acquisition Limited and the ultimate parent company as of 31 December 2018 was IB Topco Ltd, registered in England and Wales.

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

Och-Ziff Management Europe Limited manages the interests of the private investing funds, which control the majority of the shares in the ultimate parent company.