

Company registered no: 08266800

Hancocks Midco Limited  
Annual report and financial statements for  
the year ended 31 December 2019

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# Hancocks Midco Limited

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Hancocks Midco Limited

**Board of directors and registered office**

**Directors**

W Beedle

S Foster

**Company number**

08266800

**Registered office**

25 Jubilee Drive

Loughborough

Leicestershire

LE11 5TX

## **Strategic report for the year ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

### **Principal activities**

The company acts as an intermediate holding company for a group with a 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 company did not trade in the year or prior year. At 31 December 2019 the company had net liabilities of £8,742,000 (2018: £8,742,000). This reflects a previous group funding structure and interest incurred by the company.

The company remains as an intermediate holding company only and the group have plans and aspirations to develop the trading businesses through a further widening of the product range, customers and markets to continue 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 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 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 and has loans with subsidiary undertakings funded by intercompany finance. External finance is managed by the group as a whole and, as part of this, the company is financed by intra group equity and debt with an interest rate swap used by the group to manage potential fluctuations in interest rates. 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  
30 September 2020

# Hancocks Midco Limited

## **Directors' report for the year ended 31 December 2019**

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2019.

### **Results and dividends**

The company did not trade in the year or prior year. The directors do not recommend the payment of any dividends.

### **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  
S Foster

### **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 financial statements

### **Going concern**

The loss for the year and net liabilities were a result of rolled up interest which was not payable in the short term. All external loans were repaid in April 2017 on acquisition of the group by Innovative Bites Limited and the company has received confirmation of support from the acquiring group considered sufficient to meet any obligations as they fall due. Accordingly the financial statements have been prepared on a going concern basis.

# Hancocks Midco Limited

## **Directors' report for the year ended 31 December 2019 (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  
30 September 2020

# Hancocks Midco Limited

## Balance sheet as at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	4	15,432	15,432
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	(24,174)	(24,174)
<b>Net current liabilities</b>		<b>(24,174)</b>	<b>(24,174)</b>
<b>Total assets less current liabilities</b>		<b>(8,742)</b>	<b>(8,742)</b>
<b>Net liabilities</b>		<b>(8,742)</b>	<b>(8,742)</b>
<b>Capital and reserves</b>			
Called up share capital	6	182	182
Accumulated losses		(8,924)	(8,924)
<b>Total equity</b>		<b>(8,742)</b>	<b>(8,742)</b>

The notes on pages 6 to 9 form part of these financial statements.

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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 9 were approved by the board of directors on 30 September 2020 and were signed on its behalf by:



S Foster  
Director

# Hancocks Midco Limited

## Notes to the financial statements for the year ended 31 December 2019

### 1. Summary of significant accounting policies and general information

Hancocks Midco 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 Midco 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" ("FRS 102") 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 and loss. The company's functional and presentational currency is the pound sterling.

The company is included in the consolidated financial statements of its parent, 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.

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. We do not consider there to be any areas involving a higher degree of judgement or complexity, and as such no further disclosure has been included over assumptions or estimates.

#### Going concern

The company meets its funding requirements through the availability of group facilities and support received. External loans were fully repaid in April 2017 and the company has received confirmation support will be made available to it by the Innovative Bites group to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

#### Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following FRS102 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; and
- From disclosing related party transactions with other wholly owned companies in the group.



**Notes to the financial statements  
for the year ended 31 December 2019 (continued)**

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

**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.

**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 assets 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 and loans from fellow group companies 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.

**Reserves**

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

**2. Operating result**

The company has taken an audit exemption.

The emoluments of the directors are paid by the subsidiary company, Hancocks Holdings Limited, which makes no recharge to the company. All directors are also directors of the parent company and a number of group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the result for Hancocks Midco Limited includes no emoluments in respect of the directors. Their emoluments are included in the directors' emoluments disclosed in the financial statements of the other group companies.

**3. Staff numbers**

The monthly average number of people employed by the company (including directors) during the year, was 2 (2018: 2).

# Hancocks Midco Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 4. Investments

				Investment in subsidiary undertakings £'000
As at 1 January 2019 and 31 December 2019				15,432
Subsidiary undertakings	Country of registration	Principal activity	Class of shares	% share holding
Hancocks Acquisition Limited	England	Intermediate holding company	Ordinary	100%
UK Sweets Limited*	England	Confectionery, wholesale and retail	Ordinary	100%
Hancocks Group Holdings Limited*	England	Intermediate holding company	Ordinary	100%
Hancocks Holdings Limited*	England	Management services	Ordinary	100%
Hancock Cash & Carry Limited*	England	Confectionery cash and carry	Ordinary	100%
World of Sweets Limited*	England	Confectionery wholesale	Ordinary	100%
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%

\* indicates indirect holding and \*\*indirect holding with the trade of the Bobby's regional subsidiary companies transferred into Bobby's Foods Limited during the year.

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

## Hancocks Midco Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 5. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	24,174	24,174

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

#### 6. Called up share capital

	2019	2018
	£'000	£'000
<b>Allotted and fully paid</b>		
181,953 (2018: 181,953) ordinary shares of £1 each	182	182

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.

#### 7. Contingent liabilities

The company has given cross guarantees in respect of £53.9m (2018: £124.4m) of fellow subsidiary company borrowings.

#### 8. Related party transactions, ultimate parent company and controlling parties

The immediate parent company as of 31 December 2019 was Hancocks Topco Limited and the ultimate parent company IB Topco Ltd, both registered in England and Wales.

Copies of the financial statements of IB Group Ltd (a directly owned immediate subsidiary of IB Topco 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.

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