

REGISTRAR

Company Registration No. SC037050 (Scotland)

WALTER BLACK FOODS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 11 MARCH 2014

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WALTER BLACK FOODS LIMITED

COMPANY INFORMATION

Directors	Walter C Black Stuart S Black
Secretary	Stuart S Black
Company number	SCO37050
Registered office	3 Drumhead Road Cambuslang Investment Park Glasgow G32 8EX
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	The Royal Bank of Scotland plc 1304 Duke Street Parkhead Glasgow G31 5PZ
Solicitors	Adie Hunter 15 Newton Terrace Glasgow G3 7PJ

WALTER BLACK FOODS LIMITED

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WALTER BLACK FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 11 MARCH 2014

The directors present their report and financial statements for the year ended 11 March 2014.

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and distribution of household products.

The modest pre-tax profit for the year compares to a small pre-tax loss and is a welcome improvement. It is, however, significantly below what the company requires.

The market place remains extremely competitive and obtaining appropriate levels of margin remains a constant challenge.

Turnover was down following the loss of contracts with multiple retailers. Such losses are always unwelcome, however their highly competitive pricing has proved a drag on performance.

The allocation of precious working capital remains a constant issue as other competing pressures exist in the business, however the directors are of the view that selective investments at this time are vital to enable a return to a more sustainable level of profit and cash generation. The directors remain comfortable with the level of cash which is sufficient for its day to day operations.

Directors

The following directors have held office since 12 March 2013:

Walter C Black
Stuart S Black

Auditors

The auditors, Wylie & Bisset LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

WALTER BLACK FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 11 MARCH 2014

Statement of Directors' responsibilities

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all steps which they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Stuart S Black

Secretary

5 December 2014

WALTER BLACK FOODS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 11 MARCH 2014

Business Overview

The principal activity of the company is as a manufacturer and distributor of household products. It operates from premises in central Scotland and South Yorkshire. It specialises in the production of sauces and condiments.

Business Model, Markets and Trends

The company trades as Walter Black Foods and manufactures for its own brands as well as those of its customers.

Management carefully review material costs in order to ensure that products are competitively priced, however the food supply industry, especially the high street retailers, is extremely competitive.

Objectives

Management believe the company is well positioned within its chosen markets to be able to attract new customers and service its present customer base. The objective is to retain and grow our position within our chosen markets.

Strategy

The company operates within a mature market and industry with long established customers. The company will continue to develop its offering in its chosen trading areas and in particular it will continue to develop its products in response to market demands.

KPI's and Risk

The company's key financial indicators are:- sales, gross profit, EBIT, net current assets and balance sheet net worth.

The key risks which may affect the company's strategy are: loss of major customers, reputational damage caused by food hygiene or product safety incidents, non-compliance with regulatory requirements, workplace health and safety, and management succession.

The company seeks to manage these risks through robust quality systems and subscribes to a number of industry quality standards which result in random unannounced compliance visits. Key customers also apply their own quality systems on the company through compliance visits. The company operates in an ethical way which is in part driven by industry requirements.

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining appropriate balances and cash deposits.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Performance

2014 saw a reduction in turnover but an increase in profit. This was as a result of a change in customer mix which improved the achieved margin. This is anticipated to continue. The working capital position has also improved marginally. Overall performance remains below what the company would expect.

The strategic report was approved by the board on 5 December 2014.

Walter C Black
Director



WALTER BLACK FOODS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WALTER BLACK FOODS LIMITED

We have audited the financial statements of Walter Black Foods Limited for the year ended 11 March 2014 set out on pages 5 to 16. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Directors' Report and the Strategic 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 11 March 2014, and of its profit for the year then ended; .
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

The information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Allister Gray (Senior Statutory Auditor)
For and on behalf of Wylie & Bisset LLP

5 December 2014

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

WALTER BLACK FOODS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 11 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	9,960,011	10,546,325
Cost of sales		(8,285,999)	(9,081,548)
Gross profit		1,674,012	1,464,777
Distribution costs		(745,556)	(789,840)
Administration expenses		(751,876)	(697,094)
Operating profit / (loss)	3	176,580	(22,157)
Other interest receivable and similar income	4	478	1,458
Interest payable and similar charges	5	0	0
Profit / (loss) on ordinary activities before taxation		177,058	(20,699)
Tax on profit on ordinary activities	6	(38,952)	33,802
Profit on ordinary activities after taxation	15	138,106	13,103


WALTER BLACK FOODS LIMITED
COMPANY NUMBER SC037050

BALANCE SHEET
AS AT 11 MARCH 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Intangible fixed assets	7		98,771		110,770
Tangible assets	8		316,500		297,204
			<u>415,271</u>		<u>407,974</u>
Current assets					
Stocks	9	859,277		840,298	
Debtors	10	1,675,351		2,039,257	
Cash at bank and in hand		765,266		560,375	
		<u>3,299,894</u>		<u>3,439,930</u>	
Creditors: amounts falling due within one year	11	(1,036,763)		(1,311,331)	
Net current assets			<u>2,263,131</u>		<u>2,128,599</u>
Total assets less current liabilities			<u>2,678,402</u>		<u>2,536,573</u>
Provisions for liabilities and charges	12		(18,209)		(14,486)
			<u>2,660,193</u>		<u>2,522,087</u>
Capital and reserves					
Called up share capital	14		15,000		15,000
Profit and loss account	15		2,645,193		2,507,087
Shareholders' funds	16		<u>2,660,193</u>		<u>2,522,087</u>

Approved by the Board for issue on 5 December 2014

Walter C Black
Director



WALTER BLACK FOODS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 11 MARCH 2014**

	2014	2013
	£	£
Net cash inflow / (outflow) from operating activities	302,040	(584,149)
Returns on investments and servicing of finance		
Interest received	478	1,458
Interest paid	0	0
	<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance	478	1,458
Taxation	(1,932)	19,845
Dividends paid	0	0
Capital expenditure		
Payments to acquire intangible assets	0	(120,000)
Payments to acquire tangible assets	(113,545)	(75,257)
Receipts from sales of tangible assets	17,850	0
	<hr/>	<hr/>
Net cash (outflow) for capital expenditure	(95,695)	(195,257)
	<hr/>	<hr/>
Increase / (decrease) in cash in the period	204,891	(758,103)
	<hr/>	<hr/>

WALTER BLACK FOODS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 11 MARCH 2014**

1 Reconciliation of operating profit / (loss) to net cash inflow / (outflow) from operating activities	2014 £	2013 £
Operating profit / (loss)	176,580	(22,157)
Depreciation of tangible assets	88,946	92,824
(Gain) / loss on disposal of tangible assets	(548)	2,870
(Increase) in stocks	(18,979)	(105,498)
Decrease / (increase) in debtors	363,906	(899,847)
(Decrease) / increase in creditors within one year	(307,865)	347,659
Net cash inflow / (outflow) from operating activities	302,040	(584,149)

2 Analysis of net debt	12 March 2013 £	Cash flow £	Other non- cash changes £	11 March 2014 £
Net cash:				
Cash at bank and in hand	560,375	204,891		765,266
	<u>560,375</u>	<u>204,891</u>		<u>765,266</u>

3 Reconciliation of net cash flow to movement in net cash	2014 £	2013 £
Increase / (decrease) in cash in the period	204,891	(758,103)
Movement in net cash in the period	204,891	(758,103)
Opening net cash	560,375	1,318,478
Closing net cash	765,266	560,375

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10%	straight line
Plant and machinery	10%	straight line
Fixtures, fittings & equipment	10%/33%	straight line
Motor vehicles	25%	reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

Pension contributions are charged to the profit and loss account so as to spread the cost of pension over the employees working lives with the company. These contributions are invested separately from the company's assets.

1.9 Deferred taxation

In accordance with Financial Reporting Standard 19, deferred taxation is provided in full at the appropriate rates on all timing differences with the exception of any differences arising on revaluations of non-monetary assets and gains rolled over. The deferred tax balance has not been discounted.

1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

2 Turnover

All turnover takes place within the United Kingdom.

3 Operating profit / (loss)	2014	2013
	£	£
Operating profit / (loss) is stated after charging:		
Depreciation of tangible assets	76,947	83,594
Amortisation of goodwill	11,999	9,230
(Gain) / loss on disposal of tangible assets	(548)	2,870
Operating lease rentals	216,466	219,172
Auditors' remuneration	14,875	11,435

4 Investment income	2014	2013
	£	£
Bank interest	478	1,458

5 Interest payable	2014	2013
	£	£
Bank interest	0	0

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

6 Taxation	2014	2013
	£	£
Domestic current period tax		
U.K. corporation tax	35,229	1,750
Adjustment in respect of prior years	0	(31,580)
	<hr/>	<hr/>
Current tax charge	35,229	(29,830)
Deferred tax		
Deferred tax charge / (credit)	3,723	(3,972)
	<hr/>	<hr/>
	38,952	(33,802)
	<hr/>	<hr/>
Factors affecting the tax charge for the period		
Profit/(loss) on ordinary activities before taxation	177,058	(20,699)
	<hr/>	<hr/>
Profit / (loss) on ordinary activities before taxation multiplied by standard rate of U.K. corporation tax of 23% (2013 - 20%)	40,723	(4,140)
	<hr/>	<hr/>
Effects of:		
Non allowable expenses	0	4,338
Capital allowances exceeded by excess of depreciation	(4,492)	3,398
Adjustment in respect of prior years	0	(31,580)
Other tax adjustments	(1,002)	(1,846)
	<hr/>	<hr/>
	(5,494)	(25,690)
	<hr/>	<hr/>
Current tax charge	35,229	(29,830)
	<hr/>	<hr/>

7 Intangible fixed assets	Goodwill
	£
Cost	
At 12 March 2013	120,000
Additions	0
	<hr/>
At 11 March 2014	120,000
	<hr/>
Amortisation	
At 12 March 2013	9,230
Charge for the year	11,999
	<hr/>
At 11 March 2014	21,229
	<hr/>
Net book value	
At 11 March 2014	98,771
	<hr/>
At 11 March 2013	110,770
	<hr/>

The goodwill arose on the acquisition by the company of the trade of Kings Vinegars.

WALTER BLACK FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 11 MARCH 2014**

8 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles etc	Total
	£	£	£	£	£
Cost					
At 12 March 2013	72,257	2,528,067	161,422	218,245	2,979,991
Additions	0	41,500	19,601	52,444	113,545
Disposals	0	0	0	(48,894)	(48,894)
At 11 March 2014	72,257	2,569,567	181,023	221,795	3,044,642
Depreciation					
At 12 March 2013	5,004	2,404,151	158,653	114,979	2,682,787
On disposals	0	0	0	(31,592)	(31,592)
Charge for the year	7,228	36,078	2,944	30,697	76,947
At 11 March 2014	12,232	2,440,229	161,597	114,084	2,728,142
Net book value					
At 11 March 2014	60,025	129,338	19,426	107,711	316,500
At 11 March 2013	67,253	123,916	2,769	103,266	297,204

9 Stocks

	2014 £	2013 £
Finished goods and goods for resale	859,277	840,298

10 Debtors

	2014 £	2013 £
Trade debtors	940,024	1,226,777
Amounts owed by parent undertakings	604,094	600,000
Other debtors	99,368	158,205
Prepayments and accrued income	31,865	54,275
	1,675,351	2,039,257

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

11 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	906,250	1,203,963
Other taxes and social security costs	33,576	37,742
Corporation tax	35,223	1,926
Accruals and deferred income	61,714	67,700
	<hr/>	<hr/>
	1,036,763	1,311,331
	<hr/>	<hr/>

The Royal Bank of Scotland plc holds a bond and floating charge over all the assets and undertakings of the company.

12 Provision for liabilities and charges

	Deferred taxation £
Balance at 12 March 2013	14,486
Profit and loss account	3,723
	<hr/>
Balance at 11 March 2014	18,209
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	2014	Fully provided 2013
	£	£
Accelerated capital allowances	18,209	14,486
	<hr/>	<hr/>

WALTER BLACK FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 11 MARCH 2014**

13 Pension costs	2014	2013
	£	£
Defined contributions		
Contributions payable by the company for the period	54,358	43,072
	<hr/>	<hr/>
14 Share Capital	2014	2013
	£	£
Authorised		
15,000 Ordinary shares of £1 each	15,000	15,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
15,000 Ordinary shares of £1 each	15,000	15,000
	<hr/>	<hr/>
15 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 March 2013		2,507,087
Profit for the period		138,106
		<hr/>
Balance at 11 March 2014		2,645,193
		<hr/>

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

16 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the financial period	138,106	13,103
Dividends	0	0
	<hr/>	<hr/>
Net change in shareholders' funds	138,106	13,103
Opening shareholders' funds	2,522,087	2,508,984
	<hr/>	<hr/>
Closing shareholders' funds	2,660,193	2,522,087
	<hr/>	<hr/>

17 Financial commitments

At 11 March 2014, the company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Land and buildings		
Expiring after five years	24,000	24,000
	<hr/>	<hr/>
	24,000	24,000
	<hr/>	<hr/>
Plant & machinery		
Expiring within one year	0	9,000
Expiring between two and five years	78,092	42,092
	<hr/>	<hr/>
	78,092	51,092
	<hr/>	<hr/>

18 Directors' emoluments

	2014	2013
	£	£
Emoluments for qualifying services	103,481	103,158
Company pension contributions to money purchase schemes	15,304	15,304
	<hr/>	<hr/>
	118,785	118,462
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2013 - 1).

WALTER BLACK FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 11 MARCH 2014

19 Employees

The average monthly number of employees (including directors) during the period was:

	2014	2013
	No.	No.
Directors	2	2
Production	55	63
Distribution	11	12
Selling	6	6
Office and administration	10	12
	<hr/>	<hr/>
	84	95

Employment costs	2014	2013
	£	£
Wages and salaries	1,648,498	1,761,338
Social security costs	128,710	139,505
Other pension costs	54,358	43,072
	<hr/>	<hr/>
	1,831,566	1,943,915

20 Control

The ultimate parent company is Walter Black (Holdings) Limited a company registered in Scotland.

21 Related party transactions

Other debtors includes £600,094 (2013 - £600,000) in respect of Walter Black (Manufacturing) Ltd.

Other debtors includes £4,000 (2013 - Nil) in respect of Walter Black (Properties) Ltd.

The company paid £75,000 (2013 - £86,000) to Walter Black (Properties) Limited in respect of rent.