

Company Registration No. SC198334 (Scotland)

WHAT NEXT CANDY COMPANY LIMITED
ABBREVIATED ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015



WHAT NEXT CANDY COMPANY LIMITED

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WHAT NEXT CANDY COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors.

The full impact of the loss of a major supplier in October 2013 has been felt in this financial year. A significant level of turnover directly sourced from this supplier has been lost and has impacted on other lines across the business.

Changes made by High Street retailers to move away from confectionery has also contributed to the decline in turnover. The company has made significant gains in new High Street and Discount Sector businesses, increasing product lines during the year and the directors are confident this will continue.

Principal risks and uncertainties

The company continues to import goods from all over the world and covers currency where possible at the time orders are received to minimise margin fluctuation caused by the volatility in exchange rates.

Interest rate risk

The company's borrowings are principally a bank overdraft which attracts interest at a variable rate negotiated with the company's bankers and invoice discounting. The bank overdraft is only required at peak times during the year and at this time financial liabilities, interest charges and cash flows are affected by movements in interest rates. Interest charged on invoice discounting is negotiated in advance and based on the level of turnover during the year.

Liquidity risk

The company manages its cash and borrowing requirements in order to minimise interest expenses, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business by way of a bank overdraft to cover seasonal variances, letters of credit and invoice discounting.

Foreign currency risk

The company's principal foreign currency risk arises from sourcing product lines from the Far East and Europe, which exposes the company to fluctuating currency markets, in particular US Dollars and the Euro. To minimise this exposure the company policy continues to enter into foreign exchange forward contracts.

Credit risk

All customers who wish to trade on credit terms are subject to stringent credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Development and performance

The company is sufficiently funded and continues to return profits in uncertain economic times. As a consequence the directors remain confident the company is strongly placed to exploit trading opportunities as they arise. The company is continually striving to target growth sector companies.

Key performance indicators

During continued difficult trading conditions as a result of factors outside the company's control the key performance indicators remain consistent. Despite the fall in turnover the gross profit margin has remained in line with previous years at 21.94% (2014 - 21.4%).

WHAT NEXT CANDY COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Future developments

The distribution into the Grocery Sector is an area of focus achieving meaningful product listings as well as continued growth in the Discount Sector. The company's long term strategy is to invest in sales power, improving lines, better pricing and products.

On behalf of the board

I Gavin
Director

1 March 2016



WHAT NEXT CANDY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company was that of confectionery distributors specialising in children's novelty products and adult gift confectionery.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Post balance sheet events

In July 2015 the company purchased I Gavin's remaining shareholding from the retained earnings by utilising the company's cash surplus. As a consequence the company is a wholly owned subsidiary of BIP Holland BV.

Directors

The following directors have held office since 1 April 2014:

I Gavin
R C Korsmit

Auditors

Chadwick & Company (Manchester) Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 accounting estimates that are reasonable and prudent;
- 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.

WHAT NEXT CANDY COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

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. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Strategic report

Details of the company's future developments and risk exposure and included in the Strategic Report.

On behalf of the board

A handwritten signature in black ink, appearing to be 'I Gavin', written over a horizontal line.

I Gavin

Director

28 March 2016

WHAT NEXT CANDY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO WHAT NEXT CANDY COMPANY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 16, together with the financial statements of What Next Candy Company Limited for the year ended 31 March 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

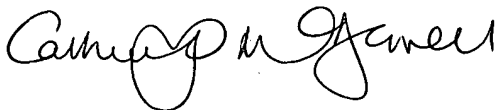
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 1 March 2016 we reported, as auditors of What Next Candy Company Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 March 2015, and our report included the following paragraph:

Emphasis of matter

We draw attention to note 13 to the financial statements which describes the uncertainty related to the outcome of a claim lodged against the company, which the company disputes. Our opinion is not qualified in respect of this matter.



**Cathryn McDowell FCCA (Senior Statutory Auditor)
for and on behalf of Chadwick & Company (Manchester) Limited**

**Chartered Accountants
Statutory Auditors**

Capital House
272 Manchester Road
Droylsden
Manchester
M43 6PW

1 March 2016

WHAT NEXT CANDY COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover		11,319,304	14,079,376
Other operating income less cost of sales		(8,665,995)	(11,059,341)
Distribution costs		(610,207)	(777,242)
Administrative expenses		(1,690,177)	(1,844,469)
Operating profit	2	352,925	398,324
Interest payable and similar charges	3	(43,281)	(70,236)
Profit on ordinary activities before taxation		309,644	328,088
Tax on profit on ordinary activities	4	(66,665)	(77,179)
Profit for the year	10	242,979	250,909

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

WHAT NEXT CANDY COMPANY LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	5		124,542		134,836
Current assets					
Stocks	6	1,059,751		1,371,829	
Debtors	7	1,581,291		2,256,826	
Cash at bank and in hand		583,195		12,913	
		<u>3,224,237</u>		<u>3,641,568</u>	
Creditors: amounts falling due within one year	8	<u>(1,024,863)</u>		<u>(1,695,329)</u>	
Net current assets			2,199,374		1,946,239
Total assets less current liabilities			<u>2,323,916</u>		<u>2,081,075</u>
Provisions for liabilities			-		(138)
			<u>2,323,916</u>		<u>2,080,937</u>
Capital and reserves					
Called up share capital	9	40,000		40,000	
Profit and loss account	10	2,283,916		2,040,937	
Shareholders' funds	11	<u>2,323,916</u>		<u>2,080,937</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 1 March 2016



I Gavin
Director

Company Registration No. SC198334

WHAT NEXT CANDY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		1,241,014		157,531
Returns on investments and servicing of finance				
Interest paid	(43,281)		(70,236)	
Net cash outflow for returns on investments and servicing of finance		(43,281)		(70,236)
Taxation		(78,180)		(79,383)
Capital expenditure				
Payments to acquire tangible assets	-		(5,310)	
Net cash outflow for capital expenditure		-		(5,310)
Net cash inflow before management of liquid resources and financing		1,119,553		2,602
Financing				
Capital element of hire purchase contracts	(448,046)		(37,868)	
Increase in debt	(448,046)		(37,868)	
Net cash outflow from financing		(448,046)		(37,868)
Increase/(decrease) in cash in the year		671,507		(35,266)

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

1 Reconciliation of operating profit to net cash outflow from operating activities		2015	2014
		£	£
Operating profit		352,925	398,324
Depreciation of tangible assets		10,294	16,898
Decrease in stocks		312,078	28,413
Decrease/(increase) in debtors		675,535	(339,453)
(Decrease)/Increase in creditors within one year		(109,818)	53,349
Net cash inflow from operating activities		1,241,014	157,531

2 Analysis of net funds/(debt)	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	12,913	570,282	-	583,195
Bank overdrafts	(101,225)	101,225	-	-
	(88,312)	671,507	-	583,195
Debt:				
Debts falling due within one year	(416,973)	448,046	-	31,073
Net (debt)/funds	(505,285)	1,119,553	-	614,268

3 Reconciliation of net cash flow to movement in net funds/(debt)		2015	2014
		£	£
Increase/(decrease) in cash in the year		671,507	(35,266)
Cash outflow from decrease in debt		448,046	37,868
Movement in net funds/(debt) in the year		1,119,553	2,602
Opening net debt		(505,285)	(507,887)
Closing net funds/(debt)		614,268	(505,285)

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts derived from the provision of goods and services (net of VAT and trade discounts) to customers during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than long leasehold land 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:

Long leasehold land & property	2% straight line
Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Motor vehicles	3 years straight line

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is calculated using the average cost method of valuation.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling, where appropriate, at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Royalties

The company recognises royalties payable as and when they become due.

1.9 Financial instruments

The company uses derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates. Derivative instruments utilised by the company include forward exchange contracts. Such contracts are accounted for as hedges, with the instrument's impact on profit deferred until the underlying transaction is recognised in the profit and loss account.

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

2	Operating profit	2015	2014
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	10,294	16,898
	and after crediting:		
	Profit on foreign exchange transactions	(49,891)	(71,492)
		<u></u>	<u></u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	15,790	15,560
	Payroll bureau services	610	838
	Taxation services	-	585
		<u></u>	<u></u>
		16,400	16,983
		<u></u>	<u></u>
3	Interest payable	2015	2014
		£	£
	On bank overdraft	3,159	15,747
	On amounts payable to factors	40,122	53,027
	Other interest	-	1,462
		<u></u>	<u></u>
		43,281	70,236
		<u></u>	<u></u>

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

4	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	66,803	78,180
	Total current tax	66,803	78,180
	Deferred tax		
	Deferred tax charge/credit current year	(138)	(1,001)
		66,665	77,179
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	309,644	328,088
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.86% (2014 - 22.66%)	64,601	74,355
	Effects of:		
	Non deductible expenses	417	1,680
	Depreciation add back	2,148	3,829
	Capital allowances	(363)	(1,684)
		2,202	3,825
	Current tax charge for the year	66,803	78,180

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

5 Tangible fixed assets

	Long leasehold land & property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2014 & at 31 March 2015	173,325	130,387	39,420	7,500	350,632
Depreciation					
At 1 April 2014	48,747	120,607	38,942	7,500	215,796
Charge for the year	4,333	5,483	478	-	10,294
At 31 March 2015	53,080	126,090	39,420	7,500	226,090
Net book value					
At 31 March 2015	120,245	4,297	-	-	124,542
At 31 March 2014	124,578	9,780	478	-	134,836

6 Stocks and work in progress

	2015 £	2014 £
Work in progress	121,509	105,581
Finished goods and goods for resale	938,242	1,266,248
	1,059,751	1,371,829

7 Debtors

	2015 £	2014 £
Trade debtors	1,506,697	2,122,543
Other debtors	2,500	74,500
Prepayments and accrued income	72,094	59,783
	1,581,291	2,256,826

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8	Creditors: amounts falling due within one year	2015 £	2014 £
	Bank overdraft	-	101,225
	Trade creditors	257,026	578,559
	Amounts owed to parent and fellow subsidiary undertakings	116,264	93,671
	Corporation tax	66,803	78,180
	Other taxes and social security costs	159,611	180,628
	Other creditors	284,234	416,973
	Accruals and deferred income	140,925	246,093
		<u>1,024,863</u>	<u>1,695,329</u>

The bank overdraft is secured by a legal charge held by National Westminster Bank Plc dated 23 August 2010.

Other creditors includes a deduction in respect of amounts owed to the company by RBS Invoice Finance of £31,073. In 2014 the company owed £416,973 to RBS Invoice Finance relating to cash received in respect of trade debts discounted on a recourse basis and is secured by a floating charge over all the assets (including the property) of the company.

9	Share capital	2015 £	2014 £
	Allotted, called up and fully paid		
	40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

10	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2014	2,040,937
	Profit for the year	<u>242,979</u>
	Balance at 31 March 2015	<u>2,283,916</u>

11	Reconciliation of movements in Shareholders' funds	2015 £	2014 £
	Profit for the financial year	242,979	250,909
	Opening Shareholders' funds	<u>2,080,937</u>	<u>1,830,028</u>
	Closing Shareholders' funds	<u>2,323,916</u>	<u>2,080,937</u>

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

12 Contingent liabilities

Forward exchange contracts

The company's policy is to enter into forward exchange contracts on future purchases where there is a high degree of likelihood of an exposure occurring. Gains and losses on these contracts are not recognised until the exposure being hedged is itself recognised.

At 31 March 2015 the company had outstanding contracts amounting to £3,076,736 (2014 - £2,925,058), translated at the contract rate in US Dollars and Euros, due to mature in one year. This represents \$2,289,888 and €2,120,711 (2014 - \$2,963,507 and €1,383,635). The fair value of forward exchange contracts outstanding amounted to £117,388 (2014 - £89,940).

Other

A claim has been lodged against the company, which the company disputes. Although the outcome of this dispute cannot be predicted with any certainty, it is assumed, partly on the basis of legal advice, that it will not have any materially unfavourable impact on the financial position of the company.

The company has a right to claim indemnity in respect of this claim from another company. That company has confirmed, in writing, that if the claim proceeds, What Next Candy Company Limited will receive full compensation for payments to a third party in respect of 'marketable goods'. What Next Candy Company Limited can also lodge a counter-claim against the other company for any payments/losses incurred as a result of the original claim.

The transactions relating to the claim, amounting to approximately €962,000, are not reflected in the financial statements of the company.

13 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Other 2015 £	2014 £
Operating leases which expire:		
Between two and five years	559	-

At 31 March 2015 the company was committed to purchases of goods amounting to £524,682 (2014 - £555,298).

14 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	121,519	118,125

Directors' remuneration includes benefits-in-kind.

WHAT NEXT CANDY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

15 Employees

Number of employees

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

	2015 Number	2014 Number
Sales	4	5
Administration	5	5
Marketing and product design	6	6
Logistics and quality control	4	5
	<u>19</u>	<u>21</u>

Employment costs

	2015 £	2014 £
Wages and salaries	732,766	733,892
Social security costs	64,386	80,196
	<u>797,152</u>	<u>814,088</u>

16 Ultimate parent company

The ultimate parent company is BCF Holding BV, a company registered in Holland.

17 Related party relationships and transactions

During the year the company purchased goods from its parent company BIP Holland BV, a company registered in Holland, totalling £820,627 (2014 - £1,042,068) and made sales of £nil (2014 - £nil). At the balance sheet date the company owed BIP Holland BV £116,264 (2014 - £93,671).

The company made royalty payments to BIP Holland BV of £59,472 (2014 - £109,091).

Management charges have been paid by the company to companies under the control of R Korsmit, director, amounting to £24,000 (2014 - £30,000).