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Company Registration No. SC198334 (Scotland)

**WHAT NEXT CANDY COMPANY LIMITED**  
**ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**  
**REGISTRAR FILING COPY**

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# WHAT NEXT CANDY COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	I Gavin R C Korsmit
<b>Secretary</b>	I Gavin
<b>Company number</b>	SC198334
<b>Registered office</b>	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD
<b>Senior statutory auditor</b>	Cathryn McDowell FCCA
<b>Auditors</b>	Chadwick & Company (Manchester) Limited Chartered Accountants Statutory Auditors Capital House 272 Manchester Road Droylsden Manchester M43 6PW
<b>Business address</b>	Unit 6 Waterside Business Park Hadfield Glossop Derbyshire SK13 1BS
<b>Bankers</b>	National Westminster Bank plc 36 The Rock Bury Lancashire BL9 0NU

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# WHAT NEXT CANDY COMPANY LIMITED

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# **WHAT NEXT CANDY COMPANY LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present the strategic report and financial statements for the year ended 31 March 2016.

### **Fair review of the business**

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

In spite of a decline in the high street sector and the loss of one major account, sales were considered encouraging. In addition, difficulties in the supply of certain products from a major supplier continues to impact the business.

The company has made significant progress in the licensed side of the business. In addition there is substantial growth in wholesale, high street retail and discount sectors.

### **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 improved significantly over previous years at 24.43% (2015 - 21.86%).

# **WHAT NEXT CANDY COMPANY LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

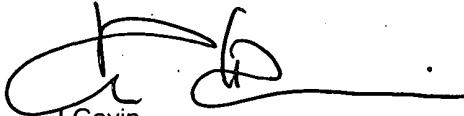
**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Future developments**

The company's long term strategy is to continue to focus on key brands which is working. Increasing targeted promotional activity within the wholesale sector mixed with continued branded higher margin products is the plan going forward. Sales of the brands across major grocery sectors continues to flourish and will continue to be a major driver in the business.

On behalf of the board

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

Gavin

**Director**

28 October 2016

# **WHAT NEXT CANDY COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their annual report and financial statements for the year ended 31 March 2016.

#### **Principal activities**

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

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I Gavin  
R C Korsmit

#### **Results and dividends**

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

An Ordinary dividend was voted on 30 January 2016 amounting to £200,000.

#### **Acquisition of own shares**

In July 2015 the company purchased 12,000 Ordinary £1 shares from I Gavin, director, for £325,000 representing 30% of the company's share capital.

On acquisition the shares were cancelled with the remaining 28,000 shares, representing 100% of the issued share capital, wholly owned by BIP Holland B.V., a company registered in the Netherlands.

#### **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 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 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 2016**

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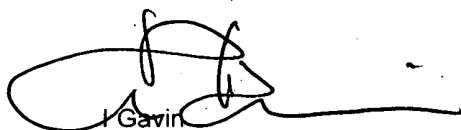
### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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 are 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.

**Director**

28 October 2016

# **WHAT NEXT CANDY COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO WHAT NEXT CANDY COMPANY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 6 to 21, together with the financial statements of What Next Candy Company Limited for the year ended 31 March 2016 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 company those matters we are required to state to it in a special 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 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.



**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

31 October 2016



# WHAT NEXT CANDY COMPANY LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

		2016 £	2015 £
Turnover	3	10,894,768	11,319,304
Other operating income and cost of sales		(7,955,389)	(8,665,995)
Distribution costs		(663,248)	(610,207)
Administrative expenses		(1,896,946)	(1,690,177)
<b>Operating profit</b>	<b>4</b>	<b>379,185</b>	<b>352,925</b>
Interest receivable and similar income	8	1	-
Interest payable and similar charges	9	(41,796)	(43,281)
<b>Profit before taxation</b>		<b>337,390</b>	<b>309,644</b>
Taxation	10	(71,293)	(66,665)
<b>Profit for the financial year</b>	<b>19</b>	<b>266,097</b>	<b>242,979</b>
<b>Total comprehensive income for the year</b>			
Profit for the financial year		266,097	242,979

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

# WHAT NEXT CANDY COMPANY LIMITED


## BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		127,312		124,542
<b>Current assets</b>					
Stocks	14	1,301,053		1,059,751	
Debtors	15	2,278,284		1,581,291	
Cash at bank and in hand		153,194		583,195	
		3,732,531		3,224,237	
<b>Creditors: amounts falling due within one year</b>	16	(1,794,830)		(1,024,863)	
Net current assets			1,937,701		2,199,374
<b>Total assets less current liabilities</b>			2,065,013		2,323,916
<b>Capital and reserves</b>					
Called up share capital	18		28,000		40,000
Capital redemption reserve			12,000		-
Profit and loss reserves	19		2,025,013		2,283,916
<b>Total equity</b>			2,065,013		2,323,916

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.

The financial statements were approved by the board of directors and authorised for issue on 28 October 2016 and are signed on its behalf by:



I. Gavin  
Director

Company Registration No. SC198334

# WHAT NEXT CANDY COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2014</b>		40,000	-	2,040,937	2,080,937
<b>Period ended 31 March 2015:</b>					
Profit and total comprehensive income for the year		-	-	242,979	242,979
<b>Balance at 31 March 2015</b>		40,000	-	2,283,916	2,323,916
<b>Period ended 31 March 2016:</b>					
Profit and total comprehensive income for the year		-	-	266,097	266,097
Dividends	11	-	-	(200,000)	(200,000)
Redemption of shares	18	(12,000)	-	-	(12,000)
Transfers		-	12,000	-	12,000
Purchase of own shares		-	-	(325,000)	(325,000)
<b>Balance at 31 March 2016</b>		28,000	12,000	2,025,013	2,065,013

# WHAT NEXT CANDY COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(65,692)		792,968
Interest paid			(41,796)		(43,281)
Income taxes paid			(66,804)		(78,180)
<b>Net cash (outflow)/inflow from operating activities</b>			(174,292)		671,507
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,400)		-	
Proceeds on disposal of tangible fixed assets		1,000		-	
Interest received		1		-	
<b>Net cash used in investing activities</b>			(10,399)		-
<b>Financing activities</b>					
Purchase of own shares		(325,000)		-	
<b>Net cash used in financing activities</b>			(325,000)		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(509,691)		671,507
Cash and cash equivalents at beginning of year			583,195		(88,312)
<b>Cash and cash equivalents at end of year</b>			73,504		583,195
<b>Relating to:</b>					
Cash at bank and in hand			153,194		583,195
Bank overdrafts included in creditors payable within one year			(79,690)		-
			73,504		583,195

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of What Next Candy Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Stocks

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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

Basic financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

(Continued)

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that 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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derivative financial instruments**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value, unless hedge accounting is applied and the hedge is a cash flow hedge.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.8 Equity instruments**

Ordinary shares are classified as equity. There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

#### **1.9 Derivatives and hedge accounting**

The company enters into foreign exchange forward contracts in order to manage its exposure to foreign exchange risk.

#### ***Hedge accounting***

The company follows the accounting policy of the group and hedge accounting is applied. Any gain or loss on forward exchange contracts expiring during the year are taken through the profit and loss account.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### 1.12 Foreign exchange

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.

#### 1.13 Royalties

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

#### 1.14 Company information

What Next Candy Company Limited is a company limited by shares incorporated in Scotland. The registered office is Summit House, 4-5 Mitchell Street, Edinburgh, Scotland, EH6 7BD.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2016 £	2015 £
Total turnover	10,894,768	11,319,304
Other significant revenue		
Interest income	1	-

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(70,150)	(49,891)
Depreciation of owned tangible fixed assets	8,630	10,294
Profit on disposal of tangible fixed assets	(1,000)	-
Cost of stocks recognised as an expense	8,166,074	8,844,688

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 5 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's financial statements	25,100	17,350
<b>For other services</b>		
Payroll services	671	610
All other non-audit services	4,300	-
	<u>4,971</u>	<u>610</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Sales	4	4
Administration	5	5
Marketing and product design	6	6
Logistics and quality control	5	4
	<u>20</u>	<u>19</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	838,800	732,766
Social security costs	87,528	64,386
Pension costs	1,625	-
	<u>927,953</u>	<u>797,152</u>

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>146,363</u>	<u>121,519</u>

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 8 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Other interest income	1	-
	<u>1</u>	<u>-</u>

### 9 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,440	3,159
Interest on invoice finance arrangements	40,356	40,122
	<u>41,796</u>	<u>43,281</u>

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	71,292	66,803
Adjustments in respect of prior periods	1	-
Total current tax	<u>71,293</u>	<u>66,803</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(138)
	<u>-</u>	<u>(138)</u>
Total tax charge	<u>71,293</u>	<u>66,665</u>

	2016 £	2015 £
Profit before taxation	<u>337,390</u>	<u>309,644</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.86%)	67,478	64,601
Tax effect of expenses that are not deductible in determining taxable profit	2,719	417
Permanent capital allowances in excess of depreciation	1,139	1,785
Other permanent differences	(43)	-
Deferred tax	-	(138)
Tax expense for the year	<u>71,293</u>	<u>66,665</u>

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 11 Dividends

	2016 £	2015 £
Interim dividend on Ordinary £1 shares	200,000	-
	<u>200,000</u>	<u>-</u>

### 12 Tangible fixed assets

	Long leasehold land & property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2015	173,325	130,387	39,420	7,500	350,632
Additions	-	-	-	11,400	11,400
Disposals	-	-	-	(7,500)	(7,500)
At 31 March 2016	<u>173,325</u>	<u>130,387</u>	<u>39,420</u>	<u>11,400</u>	<u>354,532</u>
<b>Depreciation and impairment</b>					
At 1 April 2015	53,080	126,090	39,420	7,500	226,090
Depreciation charged in the year	4,333	4,297	-	-	8,630
Eliminated in respect of disposals	-	-	-	(7,500)	(7,500)
At 31 March 2016	<u>57,413</u>	<u>130,387</u>	<u>39,420</u>	<u>-</u>	<u>227,220</u>
<b>Carrying amount</b>					
At 31 March 2016	<u>115,912</u>	<u>-</u>	<u>-</u>	<u>11,400</u>	<u>127,312</u>
At 31 March 2015	<u>120,245</u>	<u>4,297</u>	<u>-</u>	<u>-</u>	<u>124,542</u>

### 13 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost (trade & other debtors)	<u>2,218,495</u>	<u>1,509,197</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost (creditors less taxation)	<u>1,605,360</u>	<u>798,449</u>

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 14 Stocks

	2016 £	2015 £
Work in progress	79,178	121,509
Finished goods and goods for resale	1,221,875	938,242
	<u>1,301,053</u>	<u>1,059,751</u>

### 15 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,209,498	1,506,697
Other debtors	8,997	2,500
Prepayments and accrued income	59,789	72,094
	<u>2,278,284</u>	<u>1,581,291</u>

### 16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank overdrafts	17	79,690	-
Trade creditors		649,711	373,290
Corporation tax		71,292	66,803
Other taxation and social security		118,178	159,611
Dividends payable		200,000	-
Other creditors		455,924	284,234
Accruals and deferred income		220,035	140,925
		<u>1,794,830</u>	<u>1,024,863</u>

Other creditors includes amounts owed by the company to RBS Invoice Finance of £455,924 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. In 2015 the company was owed £31,073 by RBS Invoice Finance and had been included as a deduction against other creditors.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 17 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	79,690	-
Payable within one year	79,690	-

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

### 18 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
<b>Issued and fully paid</b>		
28,000 Ordinary shares of £1 each	28,000	40,000

#### Reconciliation of movements during the year:

	Ordinary shares Number
At 1 April 2015	40,000
Shares redeemed	(12,000)
At 31 March 2016	28,000

The company redeemed 12,000 Ordinary £1 shares on 20 July 2015.

### 19 Reserves

#### Capital redemption reserve

Capital redemption reserve records the nominal value of shares repurchased by the company.

#### Own shares

Called up share capital represents the nominal value of shares that have been issued.

#### Profit and loss reserve

Profit and loss reserve includes all current and prior period retained profits and losses.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 20 Financial commitments, guarantees and 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 recognised in the profit and loss when they are completed.

At 31 March 2016 the company had outstanding contracts amounting to £3,551,260 (2015 - £3,076,736), translated at the contract rate in US Dollars and Euros, due to mature within one year. This represents \$3,824,350 and €1,263,512 (2015 - \$2,289,888 and €2,120,711). The fair value relating to forward exchange contracts amounted to a positive of £110,118 (2015 - a negative of £117,388).

#### Goods committed to

At 31 March 2016 the company was committed to purchases of goods amounting to £859,302 (2015 - £524,682).

### 21 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Between two and five years	2,095	2,654

### 22 Related party transactions

#### Transactions with related parties

No guarantees have been given or received.

The company has taken advantage of the exemption under the Financial Reporting Standard 102 Section 33.1A from disclosing any transactions and balances with group entities of which the group owns 100% of the share capital.

### 23 Controlling party

The parent company of What Next Candy Company Limited is BIP Holland B.V, who own 100% of the issued Ordinary share capital of the company, and is registered in the Netherlands. This company is itself wholly owned by BCF Holding B.V, a company also registered in the Netherlands. The financial statements of the company are consolidated into the accounts of BCF Holding B.V.

# WHAT NEXT CANDY COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 24 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	266,097	242,979
<b>Adjustments for:</b>		
Taxation charged	71,293	66,665
Finance costs	41,796	43,281
Investment income	(1)	-
Gain on disposal of tangible fixed assets	(1,000)	-
Depreciation and impairment of tangible fixed assets	8,630	10,294
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(241,302)	312,078
(Increase)/decrease in debtors	(696,993)	675,535
Increase/(decrease) in creditors	485,788	(557,864)
<b>Cash (absorbed by)/generated from operations</b>	<b>(65,692)</b>	<b>792,968</b>