

Company Registration No. 01753334 (England & Wales)

DANISH SPECIALITIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2008

mercero&hole



DANISH SPECIALITIES LIMITED

COMPANY INFORMATION

Director	R Pollard
Secretary	S Cuthbertson
Company number	1753334
Registered office	67 Blackhorse Road Exhall Coventry Warwickshire CV6 6DP
Auditors	Mercer & Hole Silbury Court, 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
Business address	67 Blackhorse Road Exhall Coventry Warwickshire CV6 6DP

DANISH SPECIALITIES LIMITED

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DANISH SPECIALITIES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2008

The director presents his report and financial statements for the year ended 30 April 2008.

Principal activities

The principal activity of the company during the year is that of the distribution of cakes and confectionery.

The company continued to trade poorly as a result of several factors, including strong competition within its market sector. Following a strategic review of the operations and in view of the difficult trading conditions the directors decided to seek a sale of the trade and assets of the company which was completed on 19th June 2007. The company is now dormant.

As part of the disposal process and in recognition of undertakings given by the parent, a loan payable to the company of £200,000 by the Handmade Bakery Group Limited which has been written off in the period and shown as an exceptional cost.

Directors

The following directors have held office since 1 May 2007:

M Levaggi	(Resigned 25 April 2008)
O Wright	(Resigned 16 July 2007)
R Pollard	

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mercer & Hole be re-appointed will be put to the Annual General Meeting.

DANISH SPECIALITIES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



R Pollard

Director

25 February 2009

DANISH SPECIALITIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DANISH SPECIALITIES LIMITED

We have audited the financial statements of Danish Specialities Limited for the year ended 30 April 2008 set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DANISH SPECIALITIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF DANISH SPECIALITIES LIMITED

Opinion

In our opinion:

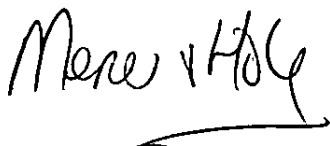
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

Emphasis of matter

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.5 of the financial statements. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Mercer & Hole



Chartered Accountants
Registered Auditor

25 February 2009

Silbury Court, 420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

DANISH SPECIALITIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2008

		2008	2007
		£	as restated £
	Notes		
Turnover		106,744	899,016
Cost of sales		(96,424)	(667,606)
Gross profit		10,320	231,410
Administrative expenses		(46,438)	(278,032)
Operating loss	2	(36,118)	(46,622)
Profit loss on sale of tangible assets		56,636	(357)
Exceptional costs		(200,000)	-
Loss on ordinary activities before interest		(179,482)	(46,979)
Other interest receivable and similar income	3	-	12
Interest payable and similar charges		(125)	(1,396)
Loss on ordinary activities before taxation		(179,607)	(48,363)
Tax on loss on ordinary activities		(8,048)	-
Loss for the year	10	(187,655)	(48,363)

DANISH SPECIALITIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 APRIL 2008

		2008	2007
	Notes	£	as restated £
Loss for the financial year		(187,655)	(48,363)
Prior year adjustment	10	(80,192)	-
Total gains and losses recognised since last financial statements		<u>(267,847)</u>	<u>(48,363)</u>

DANISH SPECIALITIES LIMITED

BALANCE SHEET

AS AT 30 APRIL 2008

		2008		2007 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		-		22,094
Current assets					
Stocks		-		24,677	
Debtors	5	20,873		217,028	
Cash at bank and in hand		-		6,546	
		20,873		248,251	
Creditors: amounts falling due within one year	6	(152,393)		(211,454)	
Net current (liabilities)/assets			(131,520)		36,797
Total assets less current liabilities			(131,520)		58,891
Creditors: amounts falling due after more than one year	7		-		(2,756)
			(131,520)		56,135
Capital and reserves					
Called up share capital	9		5,000		5,000
Profit and loss account	10		(136,520)		51,135
Shareholders' funds			(131,520)		56,135

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 25 February 2009



R Pollard
Director

DANISH SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at the lower of cost less depreciation or net realisable value. 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:

Plant and machinery	15% on reducing balance
Office equipment	10% reducing balance or 25% on cost
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

1.5 Going concern

As at 30 April 2008 the company has an excess of liabilities over assets and is dependant on continuing support of its parent company. The trade and trading assets of the company were sold on 19 June 2007, the remaining assets and liabilities being valued in the accounts at the expected net realisable value.

2 Operating loss

	2008	2007
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	921	10,725
Auditors' remuneration	-	2,000

A prior year adjustment was made in the year. This related to debts due to other group companies, which were previously included as exceptional income on the expectation that payment of these amounts would be waived, which did not happen.

The exceptional costs of £200,000 relate to a loan payable to the company by the Handmade Bakery Group Limited which has been written off in the period.

DANISH SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

3 Investment income	2008 £	2007 £
Bank interest	-	12
	<u>-</u>	<u>12</u>

4 Tangible fixed assets	Plant and machinery etc £
Cost	
At 1 May 2007	60,115
Disposals	(60,115)
At 30 April 2008	<u>-</u>
Depreciation	
At 1 May 2007	38,022
On disposals	(38,943)
Charge for the year	921
At 30 April 2008	<u>-</u>
Net book value	
At 30 April 2008	<u>-</u>
At 30 April 2007	<u>22,094</u>

The net book value of tangible fixed assets includes £- (2007 - £16,693) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £- (2007 - £5,564) for the year.

5 Debtors	2008 £	2007 £
Trade debtors	-	79,233
Amounts owed by group undertakings	20,873	200,000
Other debtors	-	(62,205)
	<u>20,873</u>	<u>217,028</u>

DANISH SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

6 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	-	2,916
Net obligations under hire purchase contracts	-	8,120
Trade creditors	-	118,368
Amounts owed to group undertakings	152,393	-
Taxation and social security	-	3,998
Other creditors	-	78,052
	<u>152,393</u>	<u>211,454</u>

The banking facilities are secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the group.

There are cross guarantees in place between Danish Specialities and the other group companies in The Handmade Bakery Group, namely; The Handmade Bakery Group Limited, The Handmade Flapjack Company Limited, Abbey Cakes Limited and SWMC Limited.

Other creditors includes £nil (2007: £59,697) in relation to advances under an invoice discounting facility which is secured on the company's trade debtors.

7 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Net obligations under hire purchase contracts	<u>-</u>	<u>2,756</u>

8 Pension costs

Defined contribution

	2008	2007
	£	£
Contributions payable by the company for the year	<u>712</u>	<u>3,952</u>

DANISH SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

9 Share capital	2008	2007
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u> </u>	<u> </u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2007 as previously reported	131,327
Prior year adjustment	(80,192)
	<u> </u>
Balance at 1 May 2007 as restated	51,135
Loss for the year	(187,655)
	<u> </u>
Balance at 30 April 2008	(136,520)
	<u> </u>

A prior year adjustment was made in the year. This related to debts due to other group companies, which were previously included as exceptional income on the expectation that payment of these amounts would be waived, which did not happen. No formal agreement to waive the debts existed, furthermore the directors of the other group companies have formally confirmed that the debts will not be written off.

11 Financial commitments

At 30 April 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2009:

	2008	2007
	£	£
Operating leases which expire:		
Between two and five years	-	26,500
	<u> </u>	<u> </u>

12 Control

The ultimate controlling party is the parent company, The Handmade Bakery Group Limited, a company incorporated in England and Wales.

DANISH SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

13 Related party transactions

During the year sales were made to The Handmade Flapjack Company Limited of £nil (2007: £1,952) and at the year end a balance of £nil (2007: £nil) was owed to Danish Specialities Limited. Purchases of £42,978 (2007: £39,570) were made from The Handmade Flapjack Company Limited and at the year end a balance of £79,383 (2007: £36,405) was owed by Danish Specialities Limited.

Purchases of £33,640 (2007: £15,953) were made from Abbey Cakes Limited with a balance outstanding at the year end to Abbey Cakes Limited of £33,639 (2007: £30,076).

Sales of £4,468 (2007: £25,075) were made to SWMC Limited with a balance outstanding at the year end to Danish Specialities Limited of £20,873 (2007: £16,405). Purchases of goods and services of £19,255 (2007: £8,377) were made from SWMC Limited with a balance outstanding at year end to SWMC Limited of £9,255 (2007: £nil).

Services were purchased from The Handmade Bakery Group Limited, the ultimate parent company of the group, for £nil (2007: £33,389) and a balance of £30,116 (2007: £30,116) was outstanding at the year end. A balance was also owed by the Handmade Bakery Group Limited to Danish Specialities Limited for £nil (2007: £200,000).

All transactions were carried out on an arms length basis.