

Beechfield Brands Limited

Registered number 02953704

Abbreviated accounts

For the year ended 31 December 2012

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BEECHFIELD BRANDS LIMITED

COMPANY INFORMATION

Directors	R McHugh P McHugh
Company secretary	R McHugh
Registered number	02953704
Registered office	Unit 3 Warth Industrial Park Radcliffe Road Bury Lancashire BL9 9NB
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditors 14th Floor, The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	HSBC Plc 96-101 Lord Street Liverpool L2 6PG

BEECHFIELD BRANDS LIMITED

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The following pages do not form part of the statutory financial statements

BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company during the year continued to be the wholesale distribution of headwear and associated goods

Business review

The directors are pleased to report an excellent trading year which has seen a 19% increase in turnover compared to the prior year. Profits before tax have increased from £1.4 million to £1.7 million.

A positive start has been made in 2013 and the directors look forward with confidence to the future.

Results and dividends

The profit for the year, after taxation, amounted to £1,133,837 (2011 - £1,058,703).

The directors do not recommend the payment of a dividend (2011: £Nil).

Directors

The directors who served during the year were

R McHugh
P McHugh

Principal risks and uncertainties

The company's operations expose it to certain financial risks that include credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring customer debts levels, and preparing regular cash flow forecasts.

Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors.

Credit risk

The company has implemented policies that require strict credit checks on potential customers before sales are made. The company also utilises a credit insurance policy with all debts (where cover is available) insured to the maximum possible under the policy. Senior board approval is required for any significant trading that cannot be covered by sufficient credit insurance. The board regularly assesses the amount of exposure to any individual counterparty.

Liquidity risk

The Board reviews the company's ongoing liquidity risks annually as part of the planning process and on an ad hoc basis. The company utilises its cash resources and where necessary maintains a mixture of long and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. At 31 December 2012 the Company had no bank borrowings but has access to committed bank facilities if required.

BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Interest rate cash flow risk

At the present time the company earns little or no interest from its cash balances. The company has a policy of when necessary securing debt at fixed rates to provide certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Financial instruments

The company does not apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. Forward foreign exchange contracts are held to manage the fair value exposures of purchases denominated in foreign currencies.

Environmental matters

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

Directors' responsibilities statement

The directors are responsible for preparing the 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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.

BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf

R McHugh
Secretary

Date

Unit 3 Warth Industrial Park
Radcliffe Road
Bury
Lancashire
BL9 9NB

BEECHFIELD BRANDS LIMITED**INDEPENDENT AUDITORS' REPORT TO BEECHFIELD BRANDS LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, , together with the financial statements of Beechfield Brands Limited for the year ended 31 December 2012 prepared under section 396 of the Companies Act 2006

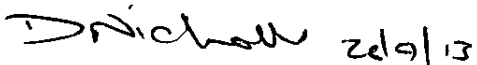
Respective responsibilities of directors and auditors

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 are properly prepared.

Opinion on financial statements

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.

 26/9/13

David Nicholls (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

14th Floor, The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

26 September 2013

BEECHFIELD BRANDS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Turnover	1	11,370,898	9,546,970
Gross profit		3,218,975	3,102,831
Distribution costs		(123,509)	(83,550)
Administrative expenses		(1,566,928)	(1,538,449)
Operating profit	2	1,528,538	1,480,832
Interest receivable and similar income		233	-
Interest payable and similar charges	5	(28,819)	(38,474)
Profit on ordinary activities before taxation		1,499,952	1,442,358
Tax on profit on ordinary activities	6	(366,115)	(383,655)
Profit for the financial year	12	1,133,837	1,058,703

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

BEECHFIELD BRANDS LIMITED

Registered number 02953704

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		117,093		106,551
Current assets					
Stocks		3,834,979		3,925,651	
Debtors	8	1,107,072		1,440,243	
Cash at bank and in hand		1,117,750		971,200	
		<u>6,059,801</u>		<u>6,337,094</u>	
Creditors: amounts falling due within one year	9	<u>(1,189,303)</u>		<u>(2,593,135)</u>	
Net current assets			4,870,498		3,743,959
Total assets less current liabilities			<u>4,987,591</u>		<u>3,850,510</u>
Provisions for liabilities					
Deferred tax	10		<u>(15,092)</u>		<u>(11,848)</u>
Net assets			<u>4,972,499</u>		<u>3,838,662</u>
Capital and reserves					
Called up share capital	11		200		200
Profit and loss account	12		<u>4,972,299</u>		<u>3,838,462</u>
Shareholders' funds	13		<u>4,972,499</u>		<u>3,838,662</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by


R McHugh
Director

Date 24-4-13

The notes on pages 7 to 14 form part of these financial statements

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting Policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

The turnover in the financial statements represents the amounts derived from the provision of goods accounted for on an accruals basis and exclusive of value added tax

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Computers & equipment	-	20% straight line

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

The majority of the company's stock is imported from overseas and subject to lengthy periods of transportation. It is the policy of the company to include, as stock, all goods ordered from and shipped by suppliers, regardless of its location, at the balance sheet date

1.6 Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1.7 Provisions for liabilities and charges

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting Policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

1.11 Hedge accounting

The company does not apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. Forward foreign exchange contracts are held to manage the fair value exposures of purchases denominated in foreign currencies

2 Operating profit

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	43,411	38,744
Auditors' remuneration	13,500	13,500
Auditors' remuneration - non-audit	1,700	1,850
Operating lease rentals		
- vehicle leasing	16,500	16,485
- rent	116,325	108,855
Foreign currency gains	(66,609)	(83,945)
	<u> </u>	<u> </u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

3 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	704,088	819,696
Social security costs	79,119	94,318
	<u>783,207</u>	<u>914,014</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No.
Warehouse and distribution	6	5
Administration	12	11
	<u>18</u>	<u>16</u>

4 Directors' remuneration

	2012 £	2011 £
Emoluments	<u>263,959</u>	<u>447,830</u>

The highest paid director received remuneration of £203,939 (2011 - £370,767)

5 Interest payable

	2012 £	2011 £
On bank loans and overdrafts	28,759	36,093
On other loans	-	2,381
Other interest payable	60	-
	<u>28,819</u>	<u>38,474</u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 Taxation

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	367,071	380,398
Adjustments in respect of prior periods	(4,200)	(849)
Total current tax	<u>362,871</u>	<u>379,549</u>
Deferred tax (see note 10)		
Origination and reversal of timing differences	3,244	4,106
Tax on profit on ordinary activities	<u>366,115</u>	<u>383,655</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,499,952</u>	<u>1,442,358</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	367,488	382,225
Effects of		
Expenses not deductible for tax purposes	1,782	1,470
Capital allowances for year in excess of depreciation	(2,316)	(2,253)
Adjustments to tax charge in respect of prior periods	(4,200)	(849)
Other differences leading to a (decrease) / increase in tax	117	(98)
Marginal relief	-	(946)
Current tax charge for the year (see note above)	<u>362,871</u>	<u>379,549</u>

Factors that may affect future tax charges

From 1 April 2012 the corporation tax rate applicable to the company changed from 26% to 24%. The deferred tax liability has been calculated at 24% in accordance with Financial Reporting Standard 19

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

7. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computers and equipment £	Total £
Cost					
At 1 January 2012	190,960	16,000	109,887	185,509	502,356
Additions	587	18,279	8,569	26,518	53,953
At 31 December 2012	191,547	34,279	118,456	212,027	556,309
Depreciation					
At 1 January 2012	186,287	16,000	76,570	116,948	395,805
Charge for the year	204	2,679	13,760	26,768	43,411
At 31 December 2012	186,491	18,679	90,330	143,716	439,216
Net book value					
At 31 December 2012	5,056	15,600	28,126	68,311	117,093
At 31 December 2011	4,673	-	33,317	68,561	106,551

8 Debtors

	2012 £	2011 £
Trade debtors	796,432	853,511
VAT repayable	116,969	51,252
Other debtors	-	383,520
Prepayments and accrued income	193,671	151,960
	1,107,072	1,440,243

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

9 Creditors. Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	-	1,499,307
Trade creditors	736,793	493,250
Corporation tax	367,071	384,602
Social security and other taxes	33,505	185,128
Accruals and deferred income	51,934	30,848
	<u>1,189,303</u>	<u>2,593,135</u>

Bank facilities are secured by way of a fixed and floating charge over all present and future assets of the company

10 Deferred taxation

	2012 £	2011 £
At beginning of year	11,848	7,742
Charge for year	3,244	4,106
	<u>15,092</u>	<u>11,848</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>15,092</u>	<u>11,848</u>

11 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

12 Reserves

	Profit and loss account £
At 1 January 2012	3,838,462
Profit for the year	1,133,837
At 31 December 2012	<u>4,972,299</u>

13 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	3,838,662	2,779,959
Profit for the year	<u>1,133,837</u>	<u>1,058,703</u>
Closing shareholders' funds	<u>4,972,499</u>	<u>3,838,662</u>

14 Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date				
Within 1 year	-	7,500	-	10,898
Between 2 and 5 years	<u>141,632</u>	<u>101,000</u>	<u>10,983</u>	<u>-</u>

Total aggregate commitments held under non-cancellable operating leases at 31 December 2012 were £325,473 (2011 £136,231). The rental agreement for the property has a break clause which can be exercised on 8 March 2015 that carries a £30,000 charge.

15 Related party transactions

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

16 Ultimate parent undertaking

The ultimate parent company is Beechfield Brands Holdings Limited which is a company registered in the United Kingdom

Copies of the accounts of Beechfield Brands Holdings Limited can be obtained from Registrar of Companies

The ultimate controlling party of Beechfield Brands Holdings Limited group is R McHugh