

Beechfield Brands Limited

Registered number: 02953704

Abbreviated accounts

For the year ended 31 December 2013

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COMPANIES HOUSE

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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BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £2,076,164 (2012 - £1,133,837).

Dividends totalling £299,880 were paid during the year (2012: £Nil).

Directors

The directors who served during the year were:

R McHugh
P McHugh

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 2013

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 2013 the Company had no bank borrowings but has access to committed bank facilities if required.

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.

Disclosure 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 relevant audit information and to establish that the company's auditors are aware of that information.

BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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
Director

Date:

5/12/14

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

BEECHFIELD BRANDS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Business review

As reported in the company's profit and loss account, revenue has seen an increase of 28% and gross profit margin has increased 5%. This is due in the main to a general upturn in business in line with the recovery in the economy, and changes to the supply network.

The balance sheet shows that the company's net assets at the year end have increased by £1,776k. This is due to the increased sales volume, net profits and cash at bank.

Principal risks and uncertainties

Management continually monitor the key risks facing the business such as: economic recovery, competitor pressure, reliance on key suppliers, loss of key personnel, reliance on key customers.

Economic recovery – the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.

Competitor pressure – the market in which the company operates is competitive. The company differentiates itself by offering a comprehensive range of quality products and maintains strong relationships with its key customers.

Reliance on key suppliers – the company's purchasing activities could expose it to over reliance on certain suppliers. The company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that maybe used.

Loss of key personnel – this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Financial key performance indicators

Management use a range of performance measures to monitor and manage the business. Key financial and non financial indicators are:

Profit ratios - gross profit percentage finished 5% up on the previous year and net profit percentage was 5.4% up on the previous year for the reasons noted in the business review.

Activity ratios - Debtor days of 27 days was consistent with 2012, whilst creditor days at 19 days was a slight reduction on the previous year. Stock holding days in 2013 were 173 days which rose slightly on 2012 in order to meet increased demand.

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


R McHugh
Director

Date:

5/12/14

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

We have examined the abbreviated accounts set out on pages 6 to 15 together with the financial statements of Beechfield Brands Limited for the year ended 31 December 2013 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. This report, including our opinion, has been prepared for and only for the company's members as a body. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed.

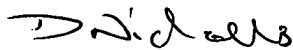
Basis of opinion

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.

The scope of our work for the purpose of this report does not include examining events occurring after the date of our Auditors' Report on the full financial statements.

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.



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

9 December 2014

BEECHFIELD BRANDS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover	1	14,555,482	11,370,898
Gross profit		4,846,765	3,218,975
Distribution costs		(153,436)	(123,509)
Administrative expenses		(2,092,657)	(1,566,928)
Operating profit	2	2,600,672	1,528,538
Interest receivable and similar income		108,302	233
Interest payable and similar charges	5	-	(28,819)
Profit on ordinary activities before taxation		2,708,974	1,499,952
Tax on profit on ordinary activities	6	(632,810)	(366,115)
Profit for the financial year	12	2,076,164	1,133,837

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

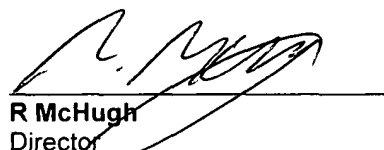
BEECHFIELD BRANDS LIMITED

Registered number: 02953704

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	7		157,445		117,093
Current assets					
Stocks		4,624,141		3,834,979	
Debtors	8	1,392,249		1,107,072	
Cash at bank and in hand		2,139,687		1,117,750	
		<u>8,156,077</u>		<u>6,059,801</u>	
Creditors: amounts falling due within one year	9	<u>(1,546,821)</u>		<u>(1,189,303)</u>	
Net current assets			6,609,256		4,870,498
Total assets less current liabilities			<u>6,766,701</u>		<u>4,987,591</u>
Provisions for liabilities					
Deferred tax	10		<u>(17,918)</u>		<u>(15,092)</u>
Net assets			<u>6,748,783</u>		<u>4,972,499</u>
Capital and reserves					
Called up share capital	11		200		200
Profit and loss account	12		<u>6,748,583</u>		<u>4,972,299</u>
Shareholders' funds	13		<u>6,748,783</u>		<u>4,972,499</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:

5/12/14

The notes on pages 8 to 15 form part of these financial statements.

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013

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 Pensions

The company contributes to the personal pension plans of the directors at the discretion of the owners.

1.11 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.

1.12 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.

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Operating profit

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	58,337	43,411
Auditors' remuneration	15,400	13,500
Auditors' remuneration - non-audit	3,675	1,700
Operating lease rentals:		
- plant and machinery	14,958	16,500
- other operating leases	117,409	116,325
Foreign currency losses / (gains)	48,896	(66,609)
	<u> </u>	<u> </u>

3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	801,692	704,088
Social security costs	138,274	79,119
Other pension costs	100,000	-
	<u> </u>	<u> </u>
	1,039,966	783,207
	<u> </u>	<u> </u>

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

	2013 No.	2012 No.
Warehouse and distribution	8	6
Administration	14	12
	<u> </u>	<u> </u>
	22	18
	<u> </u>	<u> </u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

4. Directors' remuneration

	2013 £	2012 £
Remuneration	229,641	263,959
Company pension contributions to defined contribution pension schemes	100,000	-

During the year retirement benefits were accruing to 1 director (2012 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £163,058 (2012 - £203,939).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £100,000 (2012 - £NIL).

5. Interest payable

	2013 £	2012 £
On bank loans and overdrafts	-	28,759
Other interest payable	-	60
	-	28,819

6. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	629,956	367,071
Adjustments in respect of prior periods	28	(4,200)
Total current tax	629,984	362,871
Deferred tax (see note 10)		
Origination and reversal of timing differences	2,826	3,244
Tax on profit on ordinary activities	632,810	366,115

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	2,708,974	1,499,952
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	629,836	367,488
Effects of:		
Expenses not deductible for tax purposes	2,845	1,782
Capital allowances for year in excess of depreciation	(2,240)	(2,316)
Adjustments to tax charge in respect of prior periods	28	(4,200)
Other differences leading to a (decrease) / increase in tax	(485)	117
Current tax charge for the year (see note above)	629,984	362,871

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computers and equipment £	Total £
Cost					
At 1 January 2013	191,547	34,279	118,456	212,027	556,309
Additions	-	38,000	18,981	41,708	98,689
At 31 December 2013	191,547	72,279	137,437	253,735	654,998
Depreciation					
At 1 January 2013	186,491	18,679	90,330	143,716	439,216
Charge for the year	190	13,263	14,661	30,223	58,337
At 31 December 2013	186,681	31,942	104,991	173,939	497,553
Net book value					
At 31 December 2013	4,866	40,337	32,446	79,796	157,445
At 31 December 2012	5,056	15,600	28,126	68,311	117,093

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

8. Debtors

	2013 £	2012 £
Trade debtors	1,079,467	796,432
Other debtors	106,544	116,969
Prepayments and accrued income	206,238	193,671
	<u>1,392,249</u>	<u>1,107,072</u>

9. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	745,214	736,793
Corporation tax	629,956	367,071
Other taxation and social security	59,788	33,505
Other creditors	24,480	-
Accruals and deferred income	87,383	51,934
	<u>1,546,821</u>	<u>1,189,303</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

	2013 £	2012 £
At beginning of year	15,092	11,848
Charge for year (P&L)	2,826	3,244
	<u>17,918</u>	<u>15,092</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>17,918</u>	<u>15,092</u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

11. Share capital

	2013 £	2012 £
Allotted, called up and fully paid 200 Ordinary shares of £1 each	200	200

12. Reserves

	Profit and loss account £
At 1 January 2013	4,972,299
Profit for the financial year	2,076,164
Dividends: Equity capital	(299,880)
At 31 December 2013	6,748,583

13. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	4,972,499	3,838,662
Profit for the financial year	2,076,164	1,133,837
Dividends (Note 14)	(299,880)	-
Closing shareholders' funds	6,748,783	4,972,499

14. Dividends

	2013 £	2012 £
Dividends paid on equity capital	299,880	-

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

15. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	-	-	721	-
Between 2 and 5 years	141,632	141,632	7,016	10,983

Total aggregate commitments held under non-cancellable operating leases at 31 December 2012 were £182,105 (2012: £325,473). The rental agreement for the property has a break clause which can be exercised on 8 March 2015 that carries a £30,000 charge.

16. Related party transactions

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

17. 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.