

Beechfield Brands Limited

Registered number: 02953704

Abbreviated accounts

For the year ended 31 December 2014

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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

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 4
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Abbreviated Accounts	8 - 15

BEECHFIELD BRANDS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Business review

As reported in the company's profit and loss account, revenue has seen an increase of 14% and gross profit margin has decreased 2%. This is due in the main to a general upturn in business in line with the recovery in the economy but combined with changes to the supply network.

The balance sheet shows that the company's net assets at the year end have increased by £2,294k. This is due to the increased sales volumes, 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.

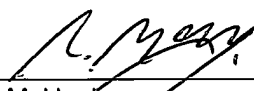
Financial key performance indicators

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 2% down on the previous year and net profit percentage was consistent at 14% due to tight control on overheads.

Activity ratios - Debtor days of 30 days was a slight increase on 27 days for 2013 and creditor days at 25 days for 2014 was also an increase on 19 days in the prior year. Stock holding days in 2014 were 192 days which rose slightly on 2013 as a result of increased stock levels held to meet increased demand.

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



R McHugh
Director

23.6.15

Date:

BEECHFIELD BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 £2,353,238 (2013 - £2,076,164).

Dividends totalling £58,800 were paid during the year (2013: £299,880).

Directors

The directors who served during the year were:

R McHugh
P McHugh

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 2014

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 2014 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 2014

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:

23.6.15

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

BEECHFIELD BRANDS LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 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 2014 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 had 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.

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.



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

10 July 2015

BEECHFIELD BRANDS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Turnover	1	16,538,130	14,555,482
Gross profit		5,215,493	4,846,765
Distribution costs		(161,859)	(153,436)
Administrative expenses		(2,065,001)	(2,092,657)
Operating profit	2	2,988,633	2,600,672
Interest receivable and similar income		7,507	108,302
Profit on ordinary activities before taxation		2,996,140	2,708,974
Tax on profit on ordinary activities	5	(642,902)	(632,810)
Profit for the financial year	11	2,353,238	2,076,164

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

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

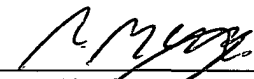
BEECHFIELD BRANDS LIMITED

Registered number: 02953704

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	6		204,622		157,445
Current assets					
Stocks		5,980,994		4,624,141	
Debtors	7	1,830,386		1,392,249	
Cash at bank and in hand		2,401,575		2,139,687	
		<u>10,212,955</u>		<u>8,156,077</u>	
Creditors: amounts falling due within one year	8	<u>(1,347,646)</u>		<u>(1,546,821)</u>	
Net current assets			8,865,309		6,609,256
Total assets less current liabilities			<u>9,069,931</u>		<u>6,766,701</u>
Provisions for liabilities					
Deferred tax	9		<u>(26,710)</u>		<u>(17,918)</u>
Net assets			<u>9,043,221</u>		<u>6,748,783</u>
Capital and reserves					
Called up share capital	10		200		200
Profit and loss account	11		<u>9,043,021</u>		<u>6,748,583</u>
Shareholders' funds	12		<u>9,043,221</u>		<u>6,748,783</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:

23.6.15

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 2014

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 2014

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.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 certain employees 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 2014

2. Operating profit

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	67,283	58,337
Auditors' remuneration	15,700	15,400
Auditors' remuneration - non-audit	3,750	3,675
Operating lease rentals:		
- plant and machinery	12,545	14,958
- other operating leases	124,304	117,409
Foreign currency (gains) / losses	(38,783)	48,896
	<u> </u>	<u> </u>

3. Staff costs

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

	2014 £	2013 £
Wages and salaries	815,272	801,692
Social security costs	45,079	138,274
Other pension costs	157,497	100,000
	<u> </u>	<u> </u>
	1,017,848	1,039,966
	<u> </u>	<u> </u>

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

	2014 No.	2013 No.
Warehouse and distribution	8	8
Administration	16	14
	<u> </u>	<u> </u>
	24	22
	<u> </u>	<u> </u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. Directors' remuneration

	2014 £	2013 £
Remuneration	129,804	229,641
Company pension contributions to defined contribution pension schemes	59,333	100,000

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £66,227 (2013 - £163,058).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £59,333 (2013 - £100,000).

5. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	634,110	629,956
Adjustments in respect of prior periods	-	28
Total current tax	634,110	629,984
Deferred tax (see note 9)		
Origination and reversal of timing differences	8,792	2,826
Tax on profit on ordinary activities	642,902	632,810

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	2,996,140	2,708,974
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23.25%)	629,189	629,836
Effects of:		
Expenses not deductible for tax purposes	2,058	2,845
Capital allowances for year in excess of depreciation	(11,686)	(2,240)
Adjustments to tax charge in respect of prior periods	-	28
Other differences leading to an increase / (decrease) in tax	14,549	(485)
Current tax charge for the year (see note above)	634,110	629,984

Factors that may affect future tax charges

From 1 April 2015 the corporation tax rate applicable to the company will change from 21% to 20% affecting future tax charges accordingly.

Deferred taxation has been calculated at 20% in accordance with Financial Reporting Standard 19.

6. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computers and equipment £	Total £
Cost					
At 1 January 2014	191,547	72,279	137,437	253,735	654,998
Additions	-	44,277	2,960	67,223	114,460
At 31 December 2014	191,547	116,556	140,397	320,958	769,458
Depreciation					
At 1 January 2014	186,681	31,942	104,991	173,939	497,553
Charge for the year	117	19,284	12,916	34,966	67,283
At 31 December 2014	186,798	51,226	117,907	208,905	564,836
Net book value					
At 31 December 2014	4,749	65,330	22,490	112,053	204,622
At 31 December 2013	4,866	40,337	32,446	79,796	157,445

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Debtors

	2014 £	2013 £
Trade debtors	1,368,185	1,079,467
Directors current accounts	157,500	-
VAT repayable	139,708	-
Other debtors	-	106,544
Prepayments and accrued income	164,993	206,238
	<u>1,830,386</u>	<u>1,392,249</u>

Included within other debtors due within one year are loans to directors R McHugh of £135,255 (2013: £nil) and P McHugh of £22,245 (2013: £nil). No interest has been charged on these loans and there are no fixed repayment terms.

8. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	930,207	745,214
Corporation tax	284,110	629,956
Other taxation and social security	66,377	59,788
Other creditors	61	24,480
Accruals and deferred income	66,891	87,383
	<u>1,347,646</u>	<u>1,546,821</u>

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

9. Deferred taxation

	2014 £	2013 £
At beginning of year	17,918	15,092
Charge for year (P&L)	8,792	2,826
	<u>26,710</u>	<u>17,918</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>26,710</u>	<u>17,918</u>

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200

11. Reserves

	Profit and loss account £
At 1 January 2014	6,748,583
Profit for the financial year	2,353,238
Dividends: Equity capital	(58,800)
At 31 December 2014	9,043,021

12. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	6,748,783	4,972,499
Profit for the financial year	2,353,238	2,076,164
Dividends (Note 13)	(58,800)	(299,880)
Closing shareholders' funds	9,043,221	6,748,783

13. Dividends

	2014 £	2013 £
Dividends paid on equity capital	58,800	299,880

BEECHFIELD BRANDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	3,672	721
Between 2 and 5 years	177,954	141,632	7,016	7,016

Total aggregate commitments held under non-cancellable operating leases at 31 December 2014 were £223,082 (2013: £182,105). The rental agreement for the property has a break clause which can be exercised on 8 March 2016 which carries a £30,000 charge.

15. Related party transactions

During the year the company made a pension contribution of £90,000 (2013: £nil) to the partner of director R McHugh.

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

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.