

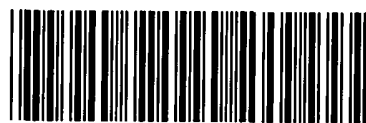
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TSC FOODS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

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TSC FOODS GROUP LIMITED

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TSC FOODS GROUP LIMITED

STRATEGIC REPORT

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

The directors present the strategic report for the 53 week period ended 4 September 2016.

Principal activities and review of the business

The company has not traded during the year and acts as a holding company for its subsidiary undertaking, Sauceinvest Limited, and its trading subsidiary TSC Foods Limited. The trading company's principal activity continued to be the manufacture of branded and private label soups and sauces for retail customers and the pub and restaurant food service sector.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company's trading subsidiary are as follows:

Competitive and Consumer Risks

The company operates in a competitive environment which is driven by customer and consumer tastes. Continual product innovation is conducted by the company to offer its customers high quality premium products that meet customer and consumer tastes.

Legislative Risks

The company's operations are governed by UK and EU legislative requirements on food production, hygiene and safety that must be met to comply with the law. Furthermore, the company's customers have requirements for food production, hygiene and safety standards. The company strives to be a leader in its production, hygiene and safety standards and procedures to ensure compliance with relevant laws and regulations and customer expectations.

Commercial Risks

The company has established a risk and financial management framework to monitor and limit normal commercial risks such as credit control, counter party exposure, customer concentration and cost control, in order to protect the company from such risks.

Use of Derivatives

The company uses forward foreign currency contracts and forward purchase contracts to reduce exposure to the variability of foreign exchange rates or commodity prices by fixing the rate of any material payments in a foreign currency or providing certainty to raw material prices.

Employees

The company has continued to follow the requirements of Health & Safety at Work Act with concern for the welfare of its employees.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

The company provides employees with information about the company through internal media methods and newsletters.

Policy on payments to creditors

Creditors are paid in accordance with terms of business agreed with suppliers.

Given the nature of the company's activities and agreed terms with suppliers, the directors have not calculated an average creditor day figure as a whole on the basis that such a statement would not be beneficial.

TSC FOODS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

Climate change

The company is committed to reducing carbon emissions wherever possible and is working with The Carbon Trust to ensure that the company makes optimum use of energy at all the factories.

On behalf of the board



D Marshall

Director

9 January 2017

TSC FOODS GROUP LIMITED

DIRECTORS' REPORT

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

The directors present their annual report and financial statements for the 53 week period ended 4 September 2016.

Directors

The directors who held office during the 53 week period and up to the date of signature of the financial statements were as follows:

S Gamble

D Marshall

L L R Whiteley

(Resigned 19 November 2015)

M Wood

Results and dividends

The results for the 53 week period are set out on page 7.

Ordinary dividends were paid amounting to £2,500,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Mitchell Charlesworth LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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;
- 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.

TSC FOODS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company's strategic report information required by schedule 7 of the Large and Medium- sized Companies and Groups (Accounts and Reports) Regulations 2008 and is noted in the strategic report on pages 1 and 2.

On behalf of the board



D Marshall

Director

9 January 2017

TSC FOODS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TSC FOODS GROUP LIMITED

We have audited the financial statements of TSC Foods Group Limited for the 53 week period ended 4 September 2016 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 4 September 2016 and of its profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial 53 week period for which the financial statements are prepared is consistent with the financial statements.

TSC FOODS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TSC FOODS GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mitchell Charlesworth

Mr Philip Griffiths (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP

9 January 2017

Chartered Accountants
Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

TSC FOODS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

		Period ended 4 September 2016 £	Period ended 30 August 2015 £
	Notes		
Interest receivable and similar income	3	2,500,000	4,500,000
Profit before taxation		2,500,000	4,500,000
Taxation	4	-	-
Profit for the financial period		2,500,000	4,500,000

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

TSC FOODS GROUP LIMITED

BALANCE SHEET

AS AT 4 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	6	14,932,431		14,932,431	
Current assets					
Debtors	8	3,000,001		3,000,001	
Creditors: amounts falling due within one year	9	(14,925,015)		(14,925,015)	
Net current liabilities			(11,925,014)		(11,925,014)
Total assets less current liabilities			<u>3,007,417</u>		<u>3,007,417</u>
Capital and reserves					
Called up share capital	10	3,000,000		3,000,000	
Profit and loss reserves		7,417		7,417	
Total equity			<u>3,007,417</u>		<u>3,007,417</u>

The financial statements were approved by the board of directors and authorised for issue on 9 January 2017 and are signed on its behalf by:



D Marshall
Director

Company Registration No. 06919167

TSC FOODS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2014		3,000,000	(2,992,583)	7,417
Period ended 30 August 2015:				
Profit and total comprehensive income for the period		-	4,500,000	4,500,000
Dividends	5	-	(1,500,000)	(1,500,000)
Balance at 30 August 2015		3,000,000	7,417	3,007,417
Period ended 4 September 2016:				
Profit and total comprehensive income for the period		-	2,500,000	2,500,000
Dividends	5	-	(2,500,000)	(2,500,000)
Balance at 4 September 2016		3,000,000	7,417	3,007,417

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

1 Accounting policies

Company information

TSC Foods Group Limited is a company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, Cunard Building, Liverpool, Merseyside, L3 1EL.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the 53 week period ended 4 September 2016 are the first financial statements of TSC Foods Group 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 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Edward Billington and Son Limited. These consolidated financial statements are available from its registered office, 2nd Floor, Cunard Building, Liverpool, Merseyside, L3 1EL.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

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.

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

1 Accounting policies

(Continued)

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

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Related party transactions

Details of transactions with fellow group undertakings where control is wholly within the group are not disclosed in these accounts as they are included in the consolidated accounts of Edward Billington and Son Limited.

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

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 Interest receivable and similar income

	2016 £	2015 £
Income from fixed asset investments		
Income from shares in group undertakings	2,500,000	4,500,000

4 Taxation

The actual charge for the 53 week period can be reconciled to the expected charge for the 53 week period based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	2,500,000	4,500,000
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	500,000	900,000
Tax effect of income not taxable in determining taxable profit	(500,000)	(900,000)
Taxation for the period	-	-

5 Dividends

	2016 £	2015 £
Interim paid	2,500,000	1,500,000

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

6 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	7	14,932,431	14,932,431

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 31 August 2015 & 4 September 2016	14,932,431
Carrying amount	
At 4 September 2016	14,932,431
At 30 August 2015	14,932,431

7 Subsidiaries

Details of the company's subsidiaries at 4 September 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
TSC Foods Limited	England and Wales	Food manufacturing	Ordinary	100.00	
Sauceinvest Limited	England and Wales	Dormant	Ordinary	100.00	
TSC Foods EBT Limited	England and Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
TSC Foods Limited	2,047,058	20,388,596
Sauceinvest Limited	2,500,000	2,000,000
TSC Foods EBT Limited	-	1

TSC FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 4 SEPTEMBER 2016

8 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	1	1
Amounts due from group undertakings	3,000,000	3,000,000
	<u>3,000,001</u>	<u>3,000,001</u>

9 Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts due to group undertakings	<u>14,925,015</u>	<u>14,925,015</u>

10 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,515,001 'A' ordinary shares of £1 each	1,515,001	1,515,001
1,034,999 'B' ordinary shares of £1 each	1,034,999	1,034,999
450,000 'C' ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>
	<u>3,000,000</u>	<u>3,000,000</u>

11 Bank security

The company has provided a fixed and floating charge over all assets of the company to Barclays Bank plc.

12 Ultimate parent undertaking

The immediate parent undertaking is Dickens 2014 Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Edward Billington and Son Limited, which is itself incorporated in England and Wales.