STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

FOR

SARANT LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2013

DIRECTOR:	P Backshall
SECRETARY:	B Isaacs
REGISTERED OFFICE:	4th Floor 30-34 Curtain Road London EC2A 3NZ
REGISTERED NUMBER:	07041988 (England and Wales)
AUDITORS:	Prentis & Co LLP Chartered Accountants & Statutory Auditors 115c Milton Road Cambridge CB4 1XE

SARANT LTD (REGISTERED NUMBER: 07041988)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2013

The director presents his strategic report for the year ended 31 October 2013.

REVIEW OF BUSINESS
The director notes that the profit and loss account, as set out on page 5, shows turnover for the year of £12,661,427 (2012:£10,216,049) and a net profit, before tax, for the financial year of £663,488 (2012:£411,623).

Turnover has increased by 24% and the director believes that turnover growth will continue in the next financial year.

The director considers the profit achieved on ordinary activities before taxation and also considers the state of affairs of the company to be satisfactory, in particular the margin on non-honey products.

During the year the company commenced a project to expand its warehouse facilities. Adequate finance has been obtained for this.

There have been no events since the balance sheet date which materially affect the position of the company.

PRINCIPAL RISKS AND UNCERTAINTIES
The company has kept to its policy of meeting customers' requirements with quality products in order to manage the risk of losing customers to its competitors. This is achieved by the provision of meeting customers' expected response times with the supply of products, the handling of customer queries and by maintaining strong relationships with key accounts.

Financial risk management
The company's operations expose it to a variety of financial risks that include the effects of changes in prices, currency risks, and liquidity risk. The company has in place risk management procedures to seek to limit the adverse effects on the financial performance from these risks.

Price risk
The company has managed this risk by seeking and maintaining markets for the purchase of raw stocks and has succeeded in its task.

Currency risk
The company purchases the majority of its raw stocks and goods for resale in US Dollars and Euros. As such the potential currency risk is met by maintaining bank accounts in these currencies and allowing customers to pay in these currencies.

Liquidity risk
The company monitors cash flow as part of its day to day control procedures. The Board considers the overall cash position on a monthly basis and ensures that the appropriate funds in the correct currency are available and drawn upon as necessary.

FUTURE DEVELOPMENTS
The company will continue to expand its warehouse capacity over the next year, which should enable the company to meet expansions in demand.

APPROVED BY THE SOLE DIRECTOR:

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P Backshall - Director

Date: ...18 June 2014..........

SARANT LTD (REGISTERED NUMBER: 07041988)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 OCTOBER 2013

The director presents his report with the financial statements of the company for the year ended 31 October 2013.

DIVIDENDS
No interim dividend was paid during the year. The director recommends a final dividend of £625 per share.

The total distribution of dividends for the year ended 31 October 2013 will be £50,000.

DIRECTOR
P Backshall held office during the whole of the period from 1 November 2012 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT
The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Prentis & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

APPROVED BY THE SOLE DIRECTOR:

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P Backshall - Director

Date: 18 June 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SARANT LTD

We have audited the financial statements of Sarant Ltd for the year ended 31 October 2013 on pages five to fifteen. 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).

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 a Report of the Auditors 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 director and auditors
As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director 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 31 October 2013 and of its profit for the year 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 matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Shipley FCCA (Senior Statutory Auditor)
for and on behalf of Prentis & Co LLP
Chartered Accountants & Statutory Auditors
115c Milton Road
Cambridge
CB4 1XE

Date: ......18 June 2014..........

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013		2012	
	Notes	£	£	£	£
TURNOVER	2		12,661,427		10,216,049
Cost of sales			9,712,352		7,985,748
GROSS PROFIT			2,949,075		2,230,301
Distribution and factory costs		575,078		454,223	
Administrative expenses		1,601,498		1,263,200	
			2,176,576		1,717,423
OPERATING PROFIT	4		772,499		512,878
Interest receivable and similar income			4		283
			772,503		513,161
Interest payable and similar charges	6		109,015		101,538
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			663,488		411,623
Tax on profit on ordinary activities	7		186,649		90,598
PROFIT FOR THE FINANCIAL YEAR			476,839		321,025
Retained profit brought forward			754,910		433,885
			1,231,749		754,910
Dividends	8		(50,000)		-
RETAINED PROFIT CARRIED FORWARD			1,181,749		754,910

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes on pages 10 to 15 form part of these financial statements

SARANT LTD (REGISTERED NUMBER: 07041988)

BALANCE SHEET
31 OCTOBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
FIXED ASSETS					
Tangible assets	9		866,599		673,445
CURRENT ASSETS					
Stocks	10	2,520,073		1,420,292	
Debtors	11	2,105,670		1,923,088	
Cash at bank		275,581		235,067	
		4,901,324		3,578,447	
CREDITORS					
Amounts falling due within one year	12	3,968,382		2,898,020	
NET CURRENT ASSETS			932,942		680,427
TOTAL ASSETS LESS CURRENT LIABILITIES			1,799,541		1,353,872
CREDITORS					
Amounts falling due after more than one year	13		(594,890)		(577,782)
PROVISIONS FOR LIABILITIES	17		(22,822)		(21,179)
NET ASSETS			1,181,829		754,911
CAPITAL AND RESERVES					
Called up share capital	18		80		1
Profit and loss account			1,181,749		754,910
SHAREHOLDERS' FUNDS	21		1,181,829		754,911

The financial statements were approved by the director on ....18 June 2014.......... and were signed by:

P Backshall - Director

The notes on pages 10 to 15 form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	1		408,260		404,104
Returns on investments and servicing of finance	2		(109,011)		(101,255)
Taxation			(85,947)		(96,736)
Capital expenditure	2		(225,631)		(106,457)
Equity dividends paid			(50,000)		-
			(62,329)		99,656
Financing	2		102,843		(16,469)
Increase in cash in the period			40,514		83,187

	Notes	2013 £	2013 £	2012 £	2012 £
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		40,514		83,187	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(102,764)		16,469	
Change in net funds resulting from cash flows			(62,250)		99,656
New finance leases			(72,000)		(59,925)
Movement in net funds in the period			(134,250)		39,731
Net funds at 1 November			179,259		139,528
Net funds at 31 October			45,009		179,259

The notes on pages 10 to 15 form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	772,499	512,878
Depreciation charges	106,810	72,513
Profit on disposal of fixed assets	(2,333)	-
Increase in stocks	(1,099,781)	(85,881)
Increase in debtors	(182,582)	(187,350)
Increase in creditors	813,647	91,944
Net cash inflow from operating activities	408,260	404,104

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	4	283
Interest paid	(109,015)	(101,538)
Net cash outflow for returns on investments and servicing of finance	(109,011)	(101,255)
Capital expenditure		
Purchase of tangible fixed assets	(228,631)	(106,457)
Sale of tangible fixed assets	3,000	-
Net cash outflow for capital expenditure	(225,631)	(106,457)
Financing		
New loans in year	140,000	-
Capital repayments in year	(37,236)	(16,469)
Share issue	79	-
Net cash inflow/(outflow) from financing	102,843	(16,469)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.12	Cash flow	Other non-cash changes	At 31.10.13
	£	£	£	£
Net cash:				
Cash at bank	235,067	40,514		275,581
	235,067	40,514		275,581
Debt:				
Finance leases	(55,808)	37,236	(72,000)	(90,572)
Debts falling due after one year	-	(140,000)	-	(140,000)
	(55,808)	(102,764)	(72,000)	(230,572)
Total	179,259	(62,250)	(72,000)	45,009

The notes on pages 10 to 15 form part of these financial statements

1. **ACCOUNTING POLICIES**

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover comprises the invoiced sale of goods net of sale rebates, discounts and VAT. Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable the economic benefit of the transaction will be received by the company following the transfer of ownership. Specifically this usually happens at the time the goods are delivered to the customers and title passes.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Leasehold land & buildings	- 2% on cost
Plant and machinery	- 20% on cost
Office equipment	- 25% on cost and 10% on cost
Motor vehicles	- 25% on cost

Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads and is calculated on a first in first out basis.

Deferred tax
The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Finance leases and hire purchase contracts
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension contributions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. There was no payment outstanding or commitment at the year end. The total contributions were £40,565 (2012: £35,797).

Operating leases
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

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1. **ACCOUNTING POLICIES - continued**

Factored debts
The company has a factor agreement. Its book debts can be factored out at 90% of their gross worth including VAT. All trade debtors approved by the factors are factored. Amounts owed to the factor company are disclosed separately under creditors. No significant risk has been passed on.

2. **TURNOVER**

Turnover attributable to geographical markets outside the UK amounted to 6.84% (2012: 6.69%) in the year.

3. **STAFF COSTS**

	2013	2012
	£	£
Wages and salaries	1,020,940	851,716
Social security costs	98,516	84,285
Other pension costs	40,565	35,797
	1,160,021	971,798

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

	2013	2012
Management	2	2
Factory and administration	39	32
	41	34

4. **OPERATING PROFIT**

This is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets		
- owned by the company	85,820	54,326
- held under finance leases	20,990	18,187
Auditors remuneration		
- audit	3,775	3,825
Operating lease rentals		
- other	32,000	32,000
Directors emoluments	130,339	89,867
Directors pension	25,000	25,000

5. **EXCEPTIONAL ITEMS**

	2013	2012
	£	£
Commission received	100,000	160,333

Exceptional items represent commission paid for the collection of debts and is included within administration expenses.

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6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Loan interest	45,365	48,783
Factor charges and interest	61,480	49,597
Hire purchase interest	2,170	3,158
	109,015	101,538

7. TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Current tax:		
UK corporation tax	185,006	85,947
Deferred tax	1,643	4,651
Tax on profit on ordinary activities	186,649	90,598

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	663,488	411,623
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.696% (2012 - 21.506%)	150,585	88,524
Effects of:		
Expenses not deductible for tax purposes	33,318	738
Income not taxable for tax purposes	531	-
Capital allowances in excess of depreciation	-	(3,315)
Depreciation in excess of capital allowances	572	-
Current tax charge	185,006	85,947

8. DIVIDENDS

	2013	2012
	£	£
Ordinary shares of £1 each		
Final	50,000	-

continued...

9. **TANGIBLE FIXED ASSETS**

	Leasehold land & buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Totals £
COST					
At 1 November 2012	463,500	304,391	37,583	42,715	848,189
Additions	141,680	156,324	2,627	-	300,631
Disposals	-	-	-	(8,000)	(8,000)
At 31 October 2013	605,180	460,715	40,210	34,715	1,140,820
DEPRECIATION					
At 1 November 2012	27,810	98,003	17,424	31,507	174,744
Charge for year	11,159	78,390	7,249	10,012	106,810
Eliminated on disposal	-	-	-	(7,333)	(7,333)
At 31 October 2013	38,969	176,393	24,673	34,186	274,221
NET BOOK VALUE					
At 31 October 2013	566,211	284,322	15,537	529	866,599
At 31 October 2012	435,690	206,388	20,159	11,208	673,445

Included in the above net book values are assets held under finance lease or hire purchase contracts as follows:

	£
	113,404

10. **STOCKS**

	2013 £	2012 £
Stocks	2,520,073	1,420,292

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade debtors	1,992,057	1,842,539
Other debtors	46,750	48,417
Prepayments and accrued income	66,863	32,132
	2,105,670	1,923,088

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Finance leases (see note 15)	43,308	21,527
Trade creditors	1,348,359	1,044,811
Factor obligations	643,183	588,627
Tax	169,369	70,310
Social security and other taxes	28,436	26,283
Other creditors	574,853	596,883
Accruals and deferred income	1,160,874	549,579
	3,968,382	2,898,020

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13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Bank loans (see note 14)	140,000	-
Finance leases (see note 15)	47,264	34,281
Other creditors	407,626	543,501
	594,890	577,782

OTHER CREDITORS

Included in other creditors at the year end was a loan from a private lender which amounted to £543,501 (2012: £668,501) and this is payable in annual instalments, plus interest as follows:

	2013	2012
	£	£
Within one year and on demand	135,875	125,000
Between one and two years	135,875	135,875
Between two and five years	271,751	407,626

14. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	140,000	-

15. OBLIGATIONS UNDER LEASING AGREEMENTS

The maturity of these amounts is as follows:

	2013	2012
Amounts payable:	£	£
Within one year	43,308	21,527
Between one and five years	47,264	34,281
	90,572	55,808

16. SECURED DEBTS

The total amount included in creditors for which security has been given is £1,474,137.

The total amount of goods under reservation included in creditors is £1,373,585.

A mortgage and debenture are held by the company's bankers and factors over the company's assets.

17. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	22,822	21,179

continued...

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 November 2012	21,179
Charge to profit and loss account during year	1,643
Balance at 31 October 2013	22,822

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
80	Ordinary	£1	80	1

79 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

19. OTHER FINANCIAL COMMITMENTS

The company has annual commitments under non-cancellable operating leases as follows:

	2013 Land & Buildings £	2012 Land & Buildings £
Expiry date:		
Between two and five years	33,750	33,750

20. RELATED PARTY DISCLOSURES

During the period the company transacted with Mind Pro Limited , to supply computer services worth £43,200 (2012: £43,200).

The services were provided at full market value and no amount was outstanding at the year end.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	476,839	321,025
Dividends	(50,000)	-
New share capital subscribed	79	-
Net addition to shareholders' funds	426,918	321,025
Opening shareholders' funds	754,911	433,886
Closing shareholders' funds	1,181,829	754,911