

COMPANIES HOUSE

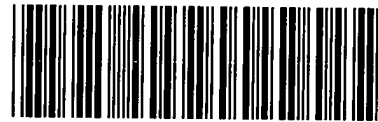
Kapak Foods Limited

Abbreviated Accounts

For the Year Ended

31 March 2014

TUESDAY



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23/12/2014

#432

COMPANIES HOUSE

CHAMPION ACCOUNTANTS LLP

Chartered Accountants and Statutory Auditor

1 Worsley Court

High Street

Worsley

Manchester

M28 3NJ

Kapak Foods Limited

Abbreviated Accounts

Year Ended 31 March 2014

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Kapak Foods Limited

Officers and Professional Advisers

The Director

K H Brewood

Company Secretary

C N Appleford

Registered Office

Ennio Morricone House
Abbotsfield Road
Reginald Road Industrial Estate
St Helens
Merseyside
WA9 4HU

Auditor

Champion Accountants LLP
Chartered Accountants and Statutory Auditor
1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

Bankers

National Westminster
St Helens Branch
5 Ormskirk Street
St Helens
Merseyside
WA10 1DR

Kapak Foods Limited

Strategic Report

Year Ended 31 March 2014

The Directors present their strategic report of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were contract packaging and manufacturing of food products.

REVIEW OF THE BUSINESS:

RESULTS AND PERFORMANCE

The results of the company for the year set out on page 7 show a profit on ordinary activities before taxation of £375,846 (2013 £731,138) after charging exceptional items of £582,125 (2013 £312,592).

The shareholders' funds for the company total £1,068,567 (2013 £817,932). The director is pleased with the results but anticipates difficult challenges for the next financial year.

STRATEGY

The company lost a contract with a major customer in July 2013. The loss was mitigated however, by a short term extension contract, which finished in February 2014, leaving the full impact of the loss to be absorbed the next financial year.

The director has taken steps to minimise the loss to the business through cost cutting, development of own products, plus the anticipated growth in existing customers in the second half of the year with some important new product launches.

Additional working capital has been secured since the year end through a mixture of medium and long term loans. The Director remains confident that funding requirements have been met.

PRINCIPAL RISKS and UNCERTAINTIES

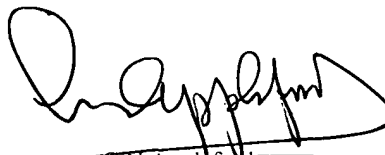
Health & Safety and Food Safety Standards

Kapak has developed and maintains a strict adherence to its own Health & Safety policy. As part of the food industry, Kapak is subject to specific rigorous technical audits to ensure its conformity to UK and International Food Safety Standards, as well as specific requirements for major UK Retailers.

Interest rates

Kapak is exposed to interest rate risk on its borrowings where they are linked to Bank of England Base Rate.

Signed by order of the director


C N Appleford
Company Secretary

Approved by the director on 18 December 2014

Kapak Foods Limited

Director's Report

Year Ended 31 March 2014

The director presents his report and the financial statements of the company for the year ended 31 March 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £325,972. Particulars of dividends paid are detailed in note 7 to the financial statements.

RESEARCH AND DEVELOPMENT

Research and development expenditure less associated tax credits is written off in the year in which it is incurred.

DIRECTOR

The director who served the company during the year was as follows:

K H Brewood

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, Director's Report 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 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 year.

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.

Kapak Foods' Limited

Director's Report *(continued)*

Year Ended 31 March 2014

AUDITOR

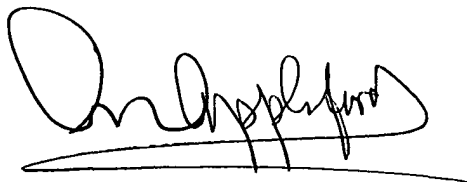
Champion Accountants LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Ennio Morricone House
Abbotsfield Road
Reginald Road Industrial Estate
St Helens
Merseyside
WA9 4HU

Signed by order of the director

A handwritten signature in black ink, appearing to read 'C N Appleford', written over a horizontal line.

C N Appleford
Company Secretary

Approved by the director on 18 December 2014

Kapak Foods Limited

Independent Auditor's Report to Kapak Foods Limited

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 21, together with the financial statements of Kapak Foods Limited for the year ended 31 March 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

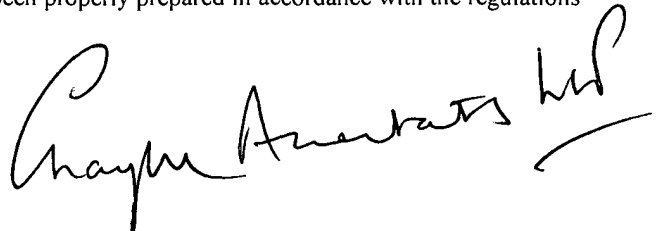
RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

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.



Anthony Flanagan FCA (Senior Statutory Auditor)
For and on behalf of
CHAMPION ACCOUNTANTS LLP

Chartered Accountants and Statutory Auditor

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

18 December 2014

Kapak Foods Limited

Abbreviated Profit and Loss Account

Year Ended 31 March 2014

	Note	2014 £	2013 £
Turnover		17,129,687	17,781,480
Cost of Sales and Other operating income		(13,830,570)	(14,326,297)
Research and Development Costs		—	(50,592)
Administrative expenses		(2,679,494)	(2,463,685)
Operating Profit	2	619,623	940,906
Attributable to:			
Operating profit before exceptional items		1,201,748	1,253,498
Exceptional items	2	(582,125)	(312,592)
		619,623	940,906
Interest payable and similar charges	5	(243,777)	(209,768)
Profit on Ordinary Activities Before Taxation		375,846	731,138
Tax on profit on ordinary activities	6	(49,874)	(96,890)
Profit for the Financial Year		325,972	634,248

All of the activities of the company are classed as continuing.

The notes on pages 11 to 21 form part of these abbreviated accounts.

Kapak Foods Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 March 2014

	2014 £	2013 £
Profit for the financial year attributable to the shareholders	325,972	634,248
Unrealised profit on revaluation of certain fixed assets	—	181,558
Total gains and losses recognised since the last annual report	<u>325,972</u>	<u>815,806</u>

Reconciliation of Movements in Shareholders' Funds

	2014 £	2013 £
Profit for the financial year	325,972	634,248
Other net recognised gains and losses	—	181,558
Equity dividends	(75,337)	(154,361)
Net addition to shareholders' funds	<u>250,635</u>	<u>661,445</u>
Opening shareholders' funds	817,932	156,487
Closing shareholders' funds	<u>1,068,567</u>	<u>817,932</u>

The notes on pages 11 to 21 form part of these abbreviated accounts.

Kapak Foods Limited

Abbreviated Balance Sheet

31 March 2014

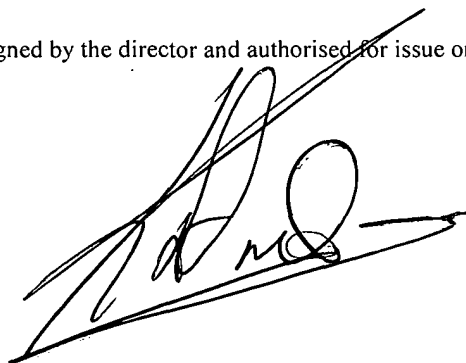
	Note	2014 £	2013 £
Fixed Assets			
Intangible assets	8	—	—
Tangible assets	9	4,629,053	4,561,391
Investments	10	20	20
		<u>4,629,073</u>	<u>4,561,411</u>
Current Assets			
Stocks	11	545,556	772,665
Debtors	12	2,254,940	2,136,384
Cash at bank and in hand		38,297	207,461
		<u>2,838,793</u>	<u>3,116,510</u>
Creditors: Amounts Falling due Within One Year	13	<u>(4,069,353)</u>	<u>(4,583,359)</u>
Net Current Liabilities		<u>(1,230,560)</u>	<u>(1,466,849)</u>
Total Assets Less Current Liabilities		<u>3,398,513</u>	<u>3,094,562</u>
Creditors: Amounts Falling due after More than One Year	14	(1,815,002)	(1,665,094)
Provisions for Liabilities			
Deferred taxation	16	(164,938)	(140,141)
Government grants	17	(350,006)	(471,395)
		<u>1,068,567</u>	<u>817,932</u>
Capital and Reserves			
Called-up equity share capital	21	100	100
Revaluation reserve	22	181,558	181,558
Profit and loss account	23	886,909	636,274
Shareholders' Funds		<u>1,068,567</u>	<u>817,932</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved and signed by the director and authorised for issue on 18 December 2014.

K H Brewood

Company Registration Number: 06509719



The notes on pages 11 to 21 form part of these abbreviated accounts.

Kapak Foods Limited

Cash Flow Statement

Year Ended 31 March 2014

	2014	2013
	£	£
Net Cash Inflow from Operating Activities	589,096	1,504,349
Returns on Investments and Servicing of Finance		
Interest paid	(219,729)	(168,636)
Interest element of hire purchase and finance lease	(24,048)	(41,132)
Net Cash Outflow from Returns on Investments and Servicing of Finance	(243,777)	(209,768)
Taxation	(30,487)	—
Capital Expenditure		
Payments to acquire tangible fixed assets	(401,355)	(3,232,121)
Net Cash Outflow from Capital Expenditure	(401,355)	(3,232,121)
Acquisitions and Disposals		
Acquire investments in participating interests	—	(20)
Net Cash Outflow from Acquisitions and Disposals	—	(20)
Equity Dividends Paid	(75,337)	(154,361)
Cash Outflow Before Financing	(161,860)	(2,091,921)
Financing		
(Repayment of)/increase in bank loans	(426,692)	1,879,667
Capital element of hire purchase and finance lease	418,486	(125,814)
New grants received	—	500,000
Net Cash (Outflow)/Inflow from Financing	(8,206)	2,253,853
(Decrease)/Increase in Cash	(170,066)	161,932

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	619,623	940,906
Amortisation	—	(31,011)
Depreciation	333,693	237,498
Amortisation of government grants	(121,389)	(97,998)
Decrease/(increase) in stocks	227,109	(180,457)
Increase in debtors	(118,556)	(50,358)
(Decrease)/increase in creditors	(351,384)	685,769
Net cash inflow from operating activities	589,096	1,504,349

Kapak Foods Limited

Cash Flow Statement

Year Ended 31 March 2014

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014		2013	
	£	£	£	£
(Decrease)/increase in cash in the period	(170,066)		161,932	
Net cash outflow from/(inflow) from bank loans	426,692		(1,879,667)	
Cash outflow in respect of hire purchase and finance lease	<u>(418,486)</u>		<u>125,814</u>	
		(161,860)		(1,591,921)
Change in net debt		(161,860)		(1,591,921)
Net debt at 1 April 2013		(1,979,631)		(387,710)
Net debt at 31 March 2014		<u>(2,141,491)</u>		<u>(1,979,631)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Net cash:			
Cash in hand and at bank	207,461	(169,164)	38,297
Overdrafts	–	(902)	(902)
	<u>207,461</u>	<u>(170,066)</u>	<u>37,395</u>
Debt:			
Debt due within 1 year	(492,001)	260,450	(231,551)
Debt due after 1 year	(1,658,000)	166,242	(1,491,758)
Hire purchase and finance lease agreements	<u>(37,091)</u>	<u>(418,486)</u>	<u>(455,577)</u>
	<u>(2,187,092)</u>	<u>8,206</u>	<u>(2,178,886)</u>
Net debt	<u>(1,979,631)</u>	<u>(161,860)</u>	<u>(2,141,491)</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

Turnover is recognised consistently with the right to receive consideration in exchange for the performance of supplying services.

Research and development

Research and development expenditure less associated tax credits is written off in the year in which it is incurred.

Negative goodwill

Negative goodwill is the excess of the fair value of the attributable net assets at the date of acquisition over the purchase consideration in a business purchase.

Negative goodwill is recognised as income on a systematic basis over the remaining useful life of the identifiable acquired assets.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 20% straight line
----------	---------------------

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Improvements to Leasehold Property	- 10% straight line
Plant & Machinery	- 10 or 20% straight line
Fixtures & Fittings	- 20% or 33.3% straight line
Motor Vehicles	- 25% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of 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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

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 entity after deducting all of its financial liabilities.

Invoice discounting

The company discounts its trade debts. The policy is to include trade debts within current assets as trade debtors and to record cash advances within creditors due within one year. Discounting fees and interest are charged to the profit and loss account when incurred. Bad debts are borne by the company and are charged to the profit and loss account when incurred.

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Amortisation of government grants re fixed assets	(121,389)	(97,998)
Amortisation of intangible assets	-	(31,011)
Depreciation of owned fixed assets	304,688	153,654
Depreciation of assets held under hire purchase and finance lease agreements	29,005	66,334
Auditor's remuneration		
- as auditor	9,500	9,000
Net profit on foreign currency translation	-	(2,970)
Exceptional direct wages	582,125	-
Exceptional expenses-move to new premises	-	312,592
	<u> </u>	<u> </u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	114	127
Number of administrative staff	24	25
Number of management staff	4	4
	<u> </u>	<u> </u>
	142	156

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,109,611	2,797,079
Social security costs	207,146	223,291
	<u> </u>	<u> </u>
	2,316,757	3,020,370

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

4. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Aggregate remuneration	<u>7,696</u>	<u>26,579</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	74,901	83
Finance charges	24,048	41,132
Other similar charges payable	<u>144,828</u>	<u>168,553</u>
	<u>243,777</u>	<u>209,768</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	35,877	41,287
Over/under provision in prior year	<u>(10,800)</u>	<u>-</u>
Total current tax	<u>25,077</u>	<u>41,287</u>
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	24,797	(2,130)
Losses	<u>-</u>	<u>57,733</u>
Total deferred tax (note 16)	<u>24,797</u>	<u>55,603</u>
Tax on profit on ordinary activities	<u>49,874</u>	<u>96,890</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>375,846</u>	<u>731,138</u>
Profit on ordinary activities by rate of tax	86,445	175,473
Expenses not deductible for tax purposes	641	987
Capital allowances for period in excess of depreciation	(17,908)	2,556
Utilisation of tax losses	-	(98,510)
Tax chargeable at lower rates	(5,382)	(8,257)
Adjustments to tax charge in respect of previous periods	(10,800)	-
Income not chargeable for tax purposes	<u>(27,919)</u>	<u>(30,962)</u>
Total current tax (note 6(a))	<u>25,077</u>	<u>41,287</u>

7. DIVIDENDS

Equity dividends

	2014	2013
	£	£
Paid during the year:		
Dividends on equity shares	<u>75,337</u>	<u>154,361</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 April 2013 and 31 March 2014	<u>(161,071)</u>
Amortisation	
At 1 April 2013 and 31 March 2014	<u>(161,071)</u>
Net Book Value	
At 31 March 2014	-
At 31 March 2013	-

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvement to Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or Valuation						
At 1 Apr 2013	2,749,107	85,920	2,242,486	168,463	50,000	5,295,976
Additions	127,248	–	263,928	10,179	–	401,355
Transfers	(252,243)	–	–	252,243	–	–
At 31 Mar 2014	2,624,112	85,920	2,506,414	430,885	50,000	5,697,331
Depreciation						
At 1 Apr 2013	–	63,583	601,051	49,951	20,000	734,585
Charge for the year	25,482	3,624	234,537	60,052	9,998	333,693
At 31 Mar 2014	25,482	67,207	835,588	110,003	29,998	1,068,278
Net Book Value						
At 31 Mar 2014	2,598,630	18,713	1,670,826	320,882	20,002	4,629,053
At 31 Mar 2013	2,749,107	22,337	1,641,435	118,512	30,000	4,561,391

The freehold property was revalued on 25 March 2012 by Knight Frank LLP at a Market Value of £2,100,000.

Hire purchase and finance lease agreements

Included within the net book value of £4,629,053 is £418,565 (2013 - £129,654) relating to assets held under hire purchase agreements, and £Nil (2013 - £96,541) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £29,005 (2013 - £30,214), and £Nil (2013 - £36,120) in respect of assets held under finance lease agreements.

10. INVESTMENTS

Shares in unlisted companies

	£
Cost	
At 1 April 2013 and 31 March 2014	20
Net Book Value	
At 31 March 2014 and 31 March 2013	20

The company owns 20% of the issued share capital of Channel Island Flower Essences Limited, a company incorporated in England and Wales. In the period ended 31 March 2014, Channel Island Flower Essences Limited incurred a loss of £50,127 and had net liabilities amounting to £50,027 at 31 March 2014.

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

11. STOCKS

	2014 £	2013 £
Stock	<u>545,556</u>	<u>772,665</u>

12. DEBTORS

	2014 £	2013 £
Trade debtors	2,086,695	2,015,923
Amounts owed by undertakings in which the company has a participating interest	110,270	81,932
Other debtors	49	14,440
Prepayments and accrued income	<u>57,926</u>	<u>24,089</u>
	<u>2,254,940</u>	<u>2,136,384</u>

The company has assigned the majority of its trade debtors to Aldermore Invoice Finance. At the balance sheet date, these trade debtors amounted to £1,885,629 (2013: £1,997,111).

13. CREDITORS: Amounts Falling due Within One Year

	2014 £	2013 £
Bank loans and overdrafts	232,453	492,001
Trade creditors	1,338,900	1,653,653
Corporation tax	35,877	41,287
PAYE and social security	57,136	50,329
VAT	526,275	381,486
Hire purchase and finance lease agreements	132,333	29,997
Other creditors	1,220,927	1,448,455
Accruals and deferred income	<u>525,452</u>	<u>486,151</u>
	<u>4,069,353</u>	<u>4,583,359</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

13. CREDITORS: Amounts Falling due Within One Year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2014	2013
	£	£
Bank loans and overdrafts	231,551	492,000
Other creditors including taxation and social security	1,146,802	1,423,774
Hire purchase agreements	132,333	29,997
	<u>1,510,686</u>	<u>1,945,771</u>

The hire purchase agreements are secured on the assets concerned.

Included within other creditors is a balance of £1,146,802 (2013: £1,423,774) due to Aldermore Invoice Finance. The balance is secured by way of a fixed and floating charge over the assets of the company.

The Department for Business, Enterprise and Regulatory Reform (BERR) has given a guarantee limited to £112,500 and UK Department for Business, Innovation and Skills (BIS) has given a guarantee limited to £45,000 in respect of the EFG bank loans held with National Westminster Bank Plc. Any amounts not covered by these guarantees are secured against the assets of the company by way of a debenture dated 12 August 2009.

The loan of £1,268,618 from National Westminster Bank Plc is secured by an unlimited legal charge dated 21 September 2012 over the land on the North West side of the property at Abbotsfield Road, Reginald Road Industrial Estate, St Helens, Merseyside.

The loan of £119,564 from the Merseyside Loan and Equity Fund LLP is secured by a debenture dated 11 October 2012 by way of a fixed and floating charge over the assets of the company.

The loan of £210,459 from The North West Fund for Business Loans LP is secured by two debentures dated 5 October and 17 December 2012 by way of a legal mortgage and a fixed and floating charge over the assets of the company.

14. CREDITORS: Amounts Falling due after More than One Year

	2014	2013
	£	£
Bank loans and overdrafts	1,491,758	1,658,000
Hire purchase and finance lease agreements	323,244	7,094
	<u>1,815,002</u>	<u>1,665,094</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

14. CREDITORS: Amounts Falling due after More than One Year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014	2013
	£	£
Bank loans and overdrafts	1,491,758	1,658,000
Hire purchase agreements	323,244	7,094
	<u>1,815,002</u>	<u>1,665,094</u>

The hire purchase agreements are secured on the assets concerned.

The Department for Business, Enterprise and Regulatory Reform (BERR) has given a guarantee limited to £112,500 and UK Department for Business, Innovation and Skills (BIS) has given a guarantee limited to £45,000 in respect of the EFG bank loans. Any amounts not covered by these guarantees are secured against the assets of the company by way of a debenture dated 12 August 2009.

The loan of £1,268,618 from National Westminster Bank Plc is secured by an unlimited legal charge dated 21 September 2012 over the land on the North West side of the property at Abbotsfield Road, Reginald Road Industrial Estate, St Helens, Merseyside.

The loan of £119,564 from the Merseyside Loan and Equity Fund LLP is secured by a debenture dated 11 October 2012 by way of a fixed and floating charge over the assets of the company.

The loan of £210,459 from The North West Fund for Business Loans LP is secured by two debentures dated 5 October and 17 December 2012 by way of a legal mortgage and a fixed and floating charge over the assets of the company.

15. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	2014	2013
	£	£
Amounts payable within 1 year	132,333	29,997
Amounts payable between 2 to 5 years	323,244	7,094
	<u>455,577</u>	<u>37,091</u>
Hire purchase and finance lease agreements are analysed as follows:		
Current obligations	132,333	29,997
Non-current obligations	323,244	7,094
	<u>455,577</u>	<u>37,091</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	140,141	84,538
Profit and loss account movement arising during the year	24,797	55,603
Provision carried forward	<u>164,938</u>	<u>140,141</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	164,938	140,141
	<u>164,938</u>	<u>140,141</u>

17. GOVERNMENT GRANTS

	2014 £	2013 £
Received and receivable:		
At 1 April 2013	691,188	191,188
Receivable during year	-	500,000
At 31 March 2014	<u>691,188</u>	<u>691,188</u>
Amortisation:		
At 1 April 2013	219,793	121,795
Credit to profit and loss account	121,389	97,998
At 31 March 2014	<u>341,182</u>	<u>219,793</u>
Net balance at 31 March 2014	<u>350,006</u>	<u>471,395</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within 1 year	-	9,524
Within 2 to 5 years	24,835	-
	<u>24,835</u>	<u>9,524</u>

Kapak Foods Limited

Notes to the Abbreviated Accounts

Year Ended 31 March 2014

19. TRANSACTIONS WITH THE DIRECTOR

Personal guarantees of £75,000 and £30,000 have been given by K H Brewood to National Westminster Bank PLC.

K H Brewood has given a personal guarantee to Aldermore Invoice Finance which has an unlimited value.

K H Brewood has given a personal guarantee to Merseyside Loan and Equity Fund LLP in respect of the loan of £150,000 received by the company on any amount not covered by the debenture over the assets of the company.

K H Brewood has given a personal guarantee to the company against the amount owed to the company by Channel Island Flower Essences Limited.

K H Brewood received dividends of £75,337 (2013: £154,361) during the year.

20. RELATED PARTY TRANSACTIONS

During the year, C N Appleford, a shareholder in the company, charged consultancy fees of £54,256 (2013: £49,950) to the company. At the year end, C N Appleford was owed £4,679 (2013: £nil) by the company.

At the year end, Channel Island Flower Essences Limited, a company in which Kapak Foods Limited has a participating interest owed £110,270 (2013: £81,932) to the company.

21. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary A shares of £1 each	90	90	90	90
Ordinary B shares of £1 each	10	10	10	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

22. REVALUATION RESERVE

	2014	2013
	£	£
Balance brought forward	181,558	—
Revaluation of fixed assets	—	181,558
Balance carried forward	<u>181,558</u>	<u>181,558</u>

23. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	636,274	156,387
Profit for the financial year	325,972	634,248
Equity dividends	(75,337)	(154,361)
Balance carried forward	<u>886,909</u>	<u>636,274</u>
