REGISTERED NUMBER: 07457856 (England and Wales)

Financial Statements

for the Year Ended 31 March 2018

for

The Grown Up Chocolate Company Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

The Grown Up Chocolate Company Limited

Company Information for the Year Ended 31 March 2018

DIRECTORS:	S C Bennett (Chairman) J M Ecclestone (Chief Executive) J A Steinberg (Finance Director) A M Cohen (Non Exec. Director)
REGISTERED OFFICE:	Lakeview House 4 Woodbrook Crescent Billericay Essex CM12 0EQ
REGISTERED NUMBER:	07457856 (England and Wales)
AUDITORS:	Mudd Partners LLP Statutory Auditors Chartered Accountants Lakeview House 4 Woodbrook Crescent Billericay Essex CM12 0EQ

Balance Sheet
31 March 2018

	Notes	31.3.18 £	31.3.18 £	31.3.17 £	31.3.17 £
FIXED ASSETS					
Intangible assets	4		**245,042**		262,550
Tangible assets	5		**238,574**		319,394
			483,616		581,944
CURRENT ASSETS					
Stocks	6	**416,257**		357,829	
Debtors	7	**817,347**		418,195	
Cash at bank		**7,079**		23,248	
		1,240,683		799,272	
CREDITORS					
Amounts falling due within one year	8	**1,142,913**		786,446	
NET CURRENT ASSETS			**97,770**		12,826
TOTAL ASSETS LESS CURRENT LIABILITIES			**581,386**		594,770
CREDITORS					
Amounts falling due after more than one year	9		**6,843**		34,677
NET ASSETS			**574,543**		560,093
CAPITAL AND RESERVES					
Called up share capital	12		**434**		434
Share premium			**1,382,080**		1,382,080
Retained earnings			**(807,971)**		(822,421)
SHAREHOLDERS' FUNDS			**574,543**		560,093

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 31 December 2018 and were signed on its behalf by:

S C Bennett (Chairman) - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

The Grown Up Chocolate Company Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover from the sale of chocolate bars is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the fair value of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.This is usually on dispatch of the goods.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of fifteen years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Improvements to property	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
In-store displays	- 50% on cost
Computer equipment	- 25% on reducing balance

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

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 29 (2017 - 21) .

4. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 April 2017 and 31 March 2018	**262,550**
AMORTISATION	
Charge for year	**17,508**
At 31 March 2018	**17,508**
NET BOOK VALUE	
At 31 March 2018	**245,042**
At 31 March 2017	262,550

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5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2017	131,576	254,919	35,369
Additions	148	3,684	7,155
At 31 March 2018	131,724	258,603	42,524
DEPRECIATION			
At 1 April 2017	46,195	51,024	20,290
Charge for year	21,382	51,607	4,903
At 31 March 2018	67,577	102,631	25,193
NET BOOK VALUE			
At 31 March 2018	64,147	155,972	17,331
At 31 March 2017	85,381	203,895	15,079

	In-store displays £	Computer equipment £	Totals £
COST			
At 1 April 2017	23,760	4,480	450,104
Additions	-	-	10,987
At 31 March 2018	23,760	4,480	461,091
DEPRECIATION			
At 1 April 2017	10,220	2,981	130,710
Charge for year	13,540	375	91,807
At 31 March 2018	23,760	3,356	222,517
NET BOOK VALUE			
At 31 March 2018	-	1,124	238,574
At 31 March 2017	13,540	1,499	319,394

6. STOCKS

	31.3.18 £	31.3.17 £
Stocks	416,257	357,829

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade debtors	787,144	402,525
Other debtors	30,203	15,670
	817,347	418,195

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8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Hire purchase contracts (see note 10)	25,824	29,992
Trade creditors	182,650	156,120
Taxation and social security	177,810	86,649
Other creditors	756,629	513,685
	1,142,913	786,446

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

	31.3.18	31.3.17
	£	£
Hire purchase contracts (see note 10)	6,843	34,677

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.3.18	31.3.17
	£	£
Net obligations repayable:		
Within one year	25,824	29,992
Between one and five years	6,843	34,677
	32,667	64,669

	Non-cancellable operating leases	
	31.3.18	31.3.17
	£	£
Within one year	21,200	20,400
Between one and five years	11,000	-
	32,200	20,400

11. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.18	31.3.17
	£	£
Invoice financing	602,969	303,381

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12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**31.3.18** £	31.3.17 £
43,369	Ordinary	£0.01	**434**	434

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Jeffrey Stanley (Senior Statutory Auditor)
for and on behalf of Mudd Partners LLP

14. GOING CONCERN BASIS

Trading has been challenging for a lot of British companies and GUCC is no exception, with the continuing effect of the Brexit vote, the fall in the value of sterling affecting raw material prices and volatility in some of those key raw material prices.
The company made a profit in 2018 after a number of years of losses. Profit projections show the company's profitability continuing to recover over the 24 month period following the balance sheet date. However, cash flow projections show the financial headroom is tight.
In December 2018, funds of £400,000 were introduced into the company to facilitate payment of some historic liabilities and provide working capital. A further fundraising exercise is planned in 2019 to finance an increase in production capacity and a restructure of the manufacturing process which will drive the improvement in profitability.
The company is dependent on this funding to secure the improvements to its production facilities and financing. The directors are confident that they will be able to achieve a successful outcome although the future is inherently uncertain. They continue to believe that the going concern basis is appropriate for the company.