

Company Registration No. 04430605 (England and Wales)

BANKS LYON JEWELLERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

PAGES FOR FILING WITH REGISTRAR

BANKS LYON JEWELLERS LIMITED

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BANKS LYON JEWELLERS LIMITED**BALANCE SHEET****AS AT 31 MAY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		50,000		75,000
Tangible assets	4		799,927		858,948
			<u>849,927</u>		<u>933,948</u>
Current assets					
Stocks		2,531,593		2,677,021	
Debtors	5	101,130		211,887	
Cash at bank and in hand		661,758		492,998	
		<u>3,294,481</u>		<u>3,381,906</u>	
Creditors: amounts falling due within one year	6	<u>(538,282)</u>		<u>(705,376)</u>	
Net current assets			<u>2,756,199</u>		<u>2,676,530</u>
Total assets less current liabilities			<u>3,606,126</u>		<u>3,610,478</u>
Creditors: amounts falling due after more than one year	7		(401,128)		(389,107)
Provisions for liabilities			<u>(47,622)</u>		<u>(49,676)</u>
Net assets			<u><u>3,157,376</u></u>		<u><u>3,171,695</u></u>
Capital and reserves					
Called up share capital	8		43		43
Profit and loss reserves			<u>3,157,333</u>		<u>3,171,652</u>
Total equity			<u><u>3,157,376</u></u>		<u><u>3,171,695</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

BANKS LYON JEWELLERS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2020

The financial statements were approved by the board of directors and authorised for issue on 2 November 2020 and are signed on its behalf by:

Mr R Banks-Lyon
Director

Company Registration No. 04430605

BANKS LYON JEWELLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

Company information

Banks Lyon Jewellers Limited is a private company limited by shares incorporated in England and Wales. The registered office is 36-40 Church Street, Lancaster, LA1 1LH.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

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 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BANKS LYON JEWELLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 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.

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.

BANKS LYON JEWELLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments 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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

BANKS LYON JEWELLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2019 - 17).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 June 2019 and 31 May 2020	500,000
Amortisation and impairment	
At 1 June 2019	425,000
Amortisation charged for the year	25,000
At 31 May 2020	450,000
Carrying amount	
At 31 May 2020	50,000
At 31 May 2019	75,000

BANKS LYON JEWELLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2019 and 31 May 2020	700,000	618,592	1,318,592
Depreciation and impairment			
At 1 June 2019	156,333	303,311	459,644
Depreciation charged in the year	14,000	45,021	59,021
At 31 May 2020	170,333	348,332	518,665
Carrying amount			
At 31 May 2020	529,667	270,260	799,927
At 31 May 2019	543,667	315,281	858,948

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	45,022	36,399
Gross amounts owed by contract customers	10,000	10,000
Other debtors	30,597	122,721
Prepayments and accrued income	15,511	42,767
	101,130	211,887

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	44,930	51,881
Trade creditors	86,438	369,581
Taxation and social security	263,684	147,162
Other creditors	143,230	136,752
	538,282	705,376

Bank loans and overdrafts included in amounts falling due within one year totalling £44,930 (2019: £51,881), are secured by way of National Westminster Bank Plc holding a legal charge and debenture over the undertaking and all property and assets present and future, including: goodwill, bookdebts, uncalled capital, buildings fixtures and fixed plant and machinery,

BANKS LYON JEWELLERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2020****7 Creditors: amounts falling due after more than one year**

	2020	2019
	£	£
Bank loans and overdrafts	401,128	389,107

Bank loans and overdrafts included in amounts falling due after more than one year totalling £351,128 (2019: £389,107), are secured by way of National Westminster Bank Plc holding a legal charge and debenture over the undertaking and all property and assets present and future, including: goodwill, bookdebts, uncalled capital, buildings fixtures and fixed plant and machinery,

8 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
18 Ordinary shares of £1 each	18	18
10 'A' Ordinary shares of £1 each	10	10
10 'B' Ordinary shares of £1 each	10	10
1 'C' Ordinary shares of £1 each	1	1
1 'D' Ordinary shares of £1 each	1	1
1 'E' Ordinary shares of £1 each	1	1
1 'F' Ordinary shares of £1 each	1	1
1 'G' Ordinary shares of £1 each	1	1
	<u>43</u>	<u>43</u>

Each class of share rank pari passu in all respects save that the directors may at any time resolve to declare a dividend on one class of share and not another class.

9 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
46,375	72,875

10 Related party transactions**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

BANKS LYON JEWELLERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MAY 2020**10 Related party transactions****(Continued)**

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due to related parties	£	£
Key management personnel	23,054	33,846

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	£	£
Key management personnel	21,908	19,942

11 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan to directors	2.50	19,942	188,162	208	(186,404)	21,908
		19,942	188,162	208	(186,404)	21,908

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.