

GRANT BROTHERS (MEAT CANNERS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
PAGES FOR FILING WITH REGISTRAR



GRANT BROTHERS (MEAT CANNERS) LIMITED

COMPANY INFORMATION

Director	Mr J Fallon
Secretary	Mrs J M Pepper
Company number	SC020934
Registered office	Richmond House Richmond Bridge Galston Ayrshire KA4 8JU
Auditor	Campbell Dallas Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

GRANT BROTHERS (MEAT CANNERS) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 10

GRANT BROTHERS (MEAT CANNERS) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		35,608		43,957
Tangible assets	4		1,270,854		1,205,844
Current assets					
Stocks		575,863		449,283	
Debtors	5	1,530,965		1,393,408	
Cash at bank and in hand		48,156		15,381	
		2,154,984		1,858,072	
Creditors: amounts falling due within one year	6	(1,474,101)		(1,293,680)	
Net current assets			680,883		564,392
Total assets less current liabilities			1,987,345		1,814,193
Creditors: amounts falling due after more than one year	7		(490,202)		(555,551)
Provisions for liabilities			(62,281)		(55,495)
Net assets			1,434,862		1,203,147
Capital and reserves					
Called up share capital	10		150,000		150,000
Share premium account			50,000		50,000
Profit and loss reserves	11		1,234,862		1,003,147
Total equity			1,434,862		1,203,147

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

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

The financial statements were approved and signed by the director and authorised for issue on 17/12/2018

Mr J Fallon
Director

Company Registration No. SC020934

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Grant Brothers (Meat Canners) Limited is a private company limited by shares incorporated in Scotland. The registered office is Richmond House, Richmond Bridge, Galston, Ayrshire, KA4 8JU.

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 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Development costs	25% Reducing balance
-------------------	----------------------

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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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	1% on cost
Plant and equipment	15% on reducing balance
Fixtures and fittings	20% on cost
Motor vehicles	25% on reducing balance

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.

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.8 Cash at bank and in hand

Cash at bank and in hand 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.

1.9 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.

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 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 direct issue 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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

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 40 (2017 - 34).

3 Intangible fixed assets

	Other £
Cost	
At 1 April 2017	234,331
Additions	3,556
	<hr/>
At 31 March 2018	237,887
	<hr/>
Amortisation and impairment	
At 1 April 2017	190,374
Amortisation charged for the year	11,905
	<hr/>
At 31 March 2018	202,279
	<hr/>
Carrying amount	
At 31 March 2018	35,608
	<hr/>
At 31 March 2017	43,957
	<hr/>

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2017	1,111,534	850,431	160,653	37,010	2,159,628
Additions	51,263	64,414	1,492	-	117,169
At 31 March 2018	1,162,797	914,845	162,145	37,010	2,276,797
Depreciation and impairment					
At 1 April 2017	136,077	641,387	141,141	35,179	953,784
Depreciation charged in the year	11,628	34,320	5,753	458	52,159
At 31 March 2018	147,705	675,707	146,894	35,637	1,005,943
Carrying amount					
At 31 March 2018	1,015,092	239,138	15,251	1,373	1,270,854
At 31 March 2017	975,457	209,044	19,512	1,831	1,205,844

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	939,565	782,663
Amounts owed by group undertakings	554,168	561,534
Other debtors	12,728	30,392
Prepayments and accrued income	24,504	18,819
	1,530,965	1,393,408

Amounts owed by group undertakings fall due after more than one year.

6 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	8	552,398	451,898
Obligations under finance leases	9	32,050	23,556
Trade creditors		656,329	710,197
Corporation tax		163,311	37,112
Other taxation and social security		10,814	10,067
Government grants		1,998	4,500
Accruals and deferred income		57,201	56,350
		1,474,101	1,293,680

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	8	413,649	466,982
Obligations under finance leases	9	65,249	75,267
Government grants		11,304	13,302
		<u>490,202</u>	<u>555,551</u>

8 Loans and overdrafts

	2018 £	2017 £
Bank loans	466,982	518,840
Bank overdrafts	499,065	400,040
	<u>966,047</u>	<u>918,880</u>
Payable within one year	552,398	451,898
Payable after one year	413,649	466,982

Bank loans and overdrafts are secured by a floating charge over the company's assets and by a standard security over the premises in favour of the Clydesdale Bank plc.

Hire purchase contracts are secured over the assets to which they relate.

9 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	32,050	23,556
In two to five years	65,249	75,267
	<u>97,299</u>	<u>98,823</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 to 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 150,000 Ordinary of £1 each	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

11 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	1,003,147	944,706
Profit for the year	531,715	193,441
Dividends declared and paid in the year	(300,000)	(135,000)
At the end of the year	<u>1,234,862</u>	<u>1,003,147</u>

Included within retained earnings is non distributable reserves of £40,330 in relation to revalued property.

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Richard Patterson.

The auditor was Campbell Dallas Audit Services.

13 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:

	2018 £	2017 £
	29,613	28,374
	<u>29,613</u>	<u>28,374</u>

14 Related party transactions

Transactions with related parties

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Related party transactions

(Continued)

During the year to 31st March 2018, Grant Brothers (Meat Canners) Limited paid Ardeer Research and Marketing Limited £100,000 (2017: £100,000) in respect of management charges and a dividends of £300,000 (2017: £135,000).

At the year end, Ardeer Research and Marketing Limited owed the company £554,168 (2017: £561,534) in respect of loans outstanding. This balance falls due after one year.

15 Parent company

The parent company of Grant Brothers (Meat Canners) Limited is Ardeer Research and Marketing Limited, and its registered office is 10 The Crescent, Busy, Glasgow, G76 8HT.

The ultimate controlling party is Mr J Fallon by virtue of his shareholding in Ardeer Research and Marketing Limited.