

COMPANY REGISTRATION NUMBER: SC090886

Registrar of Companies

PENKILN SAWMILL COMPANY LIMITED

**ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2017

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PENKILN SAWMILL COMPANY LIMITED

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PENKILN SAWMILL COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	42,221	40,877
Other financial assets	5	<u>50</u>	<u>50</u>
		42,271	40,927
Current assets			
Stocks	6	76,692	62,858
Debtors	7	182,120	201,469
Cash at bank and in hand		<u>146,321</u>	<u>169,676</u>
		405,133	434,003
Creditors: Amounts falling due within one year	8	<u>(155,640)</u>	<u>(193,469)</u>
Net current assets		<u>249,493</u>	<u>240,534</u>
Total assets less current liabilities		291,764	281,461
Provisions for liabilities		<u>(7,826)</u>	<u>(7,924)</u>
Net assets		<u>283,938</u>	<u>273,537</u>
Capital and reserves			
Called up share capital		16,000	16,000
Capital redemption reserve		8,000	8,000
Profit and loss account		<u>259,938</u>	<u>249,537</u>
Total equity		<u>283,938</u>	<u>273,537</u>

The notes on pages 3 to 10 form an integral part of these financial statements.

PENKILN SAWMILL COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2017 (CONTINUED)

For the financial year ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17 November 2017 and signed on its behalf by:


.....
Mr P D Dewar

Company secretary and director

Company registration number: SC090886

The notes on pages 3 to 10 form an integral part of these financial statements.

PENKILN SAWMILL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 GENERAL INFORMATION

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

51 Newall Terrace

Dumfries

DG1 1LN

The principal place of business is:

Baldoon

Wigtown

Newton Stewart

DG8 9AF

These financial statements were authorised for issue by the Board on 17 November 2017.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with the applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

PENKILN SAWMILL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

Judgements and key sources of uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales, value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Interest received or receivable is recognised as it becomes due.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

PENKILN SAWMILL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	over 2 - 10 years
Motor Vehicles	over 3 years
Office Equipment	over 4 years
Leasehold Property Improvements	over 10 years

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

PENKILN SAWMILL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

2 ACCOUNTING POLICIES (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3 STAFF NUMBERS

The average number of persons employed by the company (including directors) during the year, was 10 (2016 - 10).

PENKILN SAWMILL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

4 TANGIBLE ASSETS

	Leasehold Property Improvements £	Office Equipment £	Motor Vehicles £	Plant and Machinery £	Total £
Cost or valuation					
At 1 July 2016	203,772	20,908	53,943	428,952	707,575
Additions	-	-	-	23,865	23,865
Disposals	-	-	-	(2,500)	(2,500)
At 30 June 2017	203,772	20,908	53,943	450,317	728,940
Depreciation					
At 1 July 2016	203,397	16,133	46,707	400,461	666,698
Charge for the year	375	1,298	3,619	15,354	20,646
Eliminated on disposal	-	-	-	(625)	(625)
At 30 June 2017	203,772	17,431	50,326	415,190	686,719
Carrying amount					
At 30 June 2017	-	3,477	3,617	35,127	42,221
At 30 June 2016	375	4,775	7,236	28,491	40,877

PENKILN SAWMILL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

5 INVESTMENTS

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 July 2016	<u>50</u>	<u>50</u>
At 30 June 2017	<u>50</u>	<u>50</u>
Impairment		
Carrying amount		
At 30 June 2017	<u>50</u>	<u>50</u>

6 STOCKS

	2017 £	2016 £
Raw materials and consumables	<u>76,692</u>	<u>62,858</u>

7 DEBTORS

	Note	2017 £	2016 £
Trade debtors		153,763	182,998
Amounts owed by group undertakings and undertakings in which the company has a participating interest	10	3,200	-
Prepayments		13,247	18,471
Other debtors		<u>11,910</u>	<u>-</u>
		<u>182,120</u>	<u>201,469</u>

PENKILN SAWMILL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

8 CREDITORS

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	9	-	999
Trade creditors		92,607	113,813
Amounts owed to group undertakings and undertakings in which the company has a participating interest	10	-	16,800
Taxation and social security		27,678	22,874
Accruals and deferred income		12,248	10,400
Other creditors		<u>23,107</u>	<u>28,583</u>
		<u>155,640</u>	<u>193,469</u>

Included within creditors: amounts falling due within one year is £nil (2016: £999) of finance leases and hire purchase contracts which are secured on the tangible fixed assets of the company.

9 LOANS AND BORROWINGS

	2017 £	2016 £
Current loans and borrowings:		
Finance lease liabilities	<u>-</u>	<u>999</u>

10 RELATED PARTY TRANSACTIONS

Transactions with directors

	At 1 July 2016 £	Advances to directors £	Repayments by director £	At 30 June 2017 £
2017				
Mr C W Dewar				
Director's loan account	<u>(504)</u>	<u>-</u>	<u>(606)</u>	<u>(1,109)</u>
Mr P D Dewar				
Director's loan account	<u>(3,039)</u>	<u>2,857</u>	<u>(606)</u>	<u>(788)</u>

PENKILN SAWMILL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

10 RELATED PARTY TRANSACTIONS (continued)

	At 1 July 2015 £	Repayments by director £	At 30 June 2016 £
2016			
Mr C W Dewar			
Director's loan account	(504)	-	(504)
Mr P D Dewar			
Director's loan account	3,075	(6,114)	(3,039)

Directors' remuneration

Loans to related parties

	Parent £
2017	
Advanced	3,200

Loans from related parties

	Parent £
2017	
At start of period	16,800
Repaid	(16,800)
At end of period	-

	Parent £
2016	
Advanced	16,800

11 TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 July 2015.

No transitional adjustments were required in equity or profit or loss for the year.