

Lees (Scotland) 2012 Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2018



Lees (Scotland) 2012 Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Albert Croll
Nadia Millar
Clive Miquel
David Simson

SECRETARY

David Simson

REGISTERED OFFICE

North Caldeen Road
Coatbridge
ML5 4EF

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

Burness Paul LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Lees (Scotland) 2012 Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Lees (Scotland) 2012 Limited for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

Lees (Scotland) 2012 Ltd is a non-trading holding company.

DIRECTORS

The present membership of the board is set out on page 1.

We were shocked and saddened to learn of the untimely death of Klaus Perch-Nielsen on 15th March 2018. Klaus had been a tremendous supporter of Lees for 25 years, initially investing in the business in 1993 to keep it operational. He provided invaluable guidance over the years in his role as Non-Executive Director and continued to attend Board Meetings, with enthusiasm and keen interest right up to March 2018. His kindness and friendship will be greatly missed by everyone at Lees.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



David Simson

16/9/19

Company Secretary

Lees (Scotland) 2012 Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEES (SCOTLAND) 2012 LIMITED

Opinion

We have audited the financial statements of Lees (Scotland) 2012 Limited (the 'company') for the year ended 31 December 2018 which comprise of Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEES (SCOTLAND) 2012 LIMITED CONTINUED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirements to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



ALAN AITCHISON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow, G2 6HG

Date:

17/9/15

Lees (Scotland) 2012 Limited

STATEMENT OF TOTAL COMPREHENSIVE INCOME

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Administrative expenses		-	-
OPERATING PROFIT	1	-	-
Exceptional items	2	-	903,167
Dividend receivable		661,736	629,689
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		661,736	1,532,856
Taxation		-	-
TOTAL COMPREHENSIVE INCOME		661,736	1,532,856

Lees (Scotland) 2012 Limited

STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investments	3	3,746,949	3,746,949
CURRENT ASSETS			
Debtors	4	108	891
Cash at bank and in hand		263,329	263,089
		<u>263,437</u>	<u>263,980</u>
Creditors: amounts falling due within one year	5	(284,152)	(284,695)
NET CURRENT (LIABILITIES)		<u>(20,715)</u>	<u>(20,715)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,726,234</u>	<u>3,726,234</u>
CAPITAL AND RESERVES			
Called up share capital	7	2,464,751	2,464,751
Share premium	8	833,512	833,512
Share-based payment reserve	10	88,608	88,608
Capital redemption reserve	9	65,000	65,000
Profit and Loss reserve		274,363	274,363
TOTAL EQUITY		<u>3,726,234</u>	<u>3,726,234</u>

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

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 16/9/19 and are signed on their behalf by:



David Simson
Director

Lees (Scotland) 2012 Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2018

	Share Capital	Share premium	Share based payment reserve	Capital redempt- ion reserve	Profit and loss reserves	Total
Balance at 31 December 2016	2,464,751	833,512	88,608	65,000	423,196	3,875,067
Year ended 31 December 2017:						
Profit and total comprehensive income for the year	-	-	-	-	1,532,856	1,532,856
Dividends paid	-	-	-	-	(1,681,689)	(1,681,689)
Balance at 31 December 2017	2,464,751	833,512	88,608	65,000	274,363	3,726,234
Year ended 31 December 2018:						
Profit and total comprehensive income for the year	-	-	-	-	661,736	661,736
Dividends paid	-	-	-	-	(661,736)	(661,736)
Balance at 31 December 2018	2,464,751	833,512	88,608	65,000	274,363	3,726,234

Lees (Scotland) 2012 Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Lees (Scotland) 2012 Limited is a private limited company domiciled and incorporated in Scotland and is limited by shares. The registered office is North Caldeen Road, Coatbridge, ML5 4EF.

BASIS OF ACCOUNTING

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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention, modified to include certain financial instruments at fair value. 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 £.

CONSOLIDATED FINANCIAL STATEMENTS

These financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of the parent undertaking, Lees Foods Limited, a company registered in Scotland.

INVESTMENTS

Investments in subsidiaries are stated at cost less any provisions for impairment.

FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Issues' of FRS102 to all of its financial instruments.

Lees (Scotland) 2012 Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1 OPERATING PROFIT

Audit fees for all group companies are charged through the parent company, Lees Foods Limited.

2 EXCEPTIONAL ITEMS

	2018	2017
	£	£
Exceptional Income	-	903,167

Exceptional income of £903,167 in 2017 arose from the re-structure of the Group resulting in the striking off of Dalry Investments, and the cost to Lees of Scotland (2012) was in relation to the forgiveness of inter-company debt in this structure.

3 INVESTMENTS

Shares in group undertakings:	£
As at 31 December 2017 & 31 December 2018	<u>3,746,949</u>

Lees (Scotland) 2012 Limited holds investments of ordinary shares in the following subsidiaries:

Name	% of equity shares held	Profit/(Loss) for year ended 31/12/2018	Capital and reserves at 31/12/2018
		£	£
Lees of Scotland Ltd	100%	345,667	7,449,728
Lees Group Ltd	100%	-	2

Lees of Scotland Ltd is registered in Scotland. Its' principal activities are the manufacture of confectionery products and of meringues and other bakery products.

Lees Group Limited is registered in Scotland and is dormant.

Lees (Scotland) 2012 Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

4 DEBTORS

	2018	2017
	£	£
Amounts owed by group undertakings	108	891
	<u>108</u>	<u>891</u>

5 CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Amounts due to group undertakings	280,367	280,934
Sundry creditors	3,785	3,761
	<u>284,152</u>	<u>284,695</u>

6 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned group companies.

7 SHARE CAPITAL

	2018	2017
	£	£
Authorised 4,000,000 ordinary shares of £1	<u>4,000,000</u>	<u>4,000,000</u>
Alotted and fully paid – ordinary shares of £1 At 1 January	2,464,751	2,464,751
At 31 December	<u>2,464,751</u>	<u>2,464,751</u>

Fully paid ordinary shares, which have a par value of £1, carry one vote per share and carry a right to dividends.

During the year no shares (2017: £nil) were issued under the exercise of employee share options.

Lees (Scotland) 2012 Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

8 SHARE PREMIUM ACCOUNT

The excess of consideration received for shares issued above their nominal value net of transaction costs.

There was no movement on the share premium account during the financial year.

9. CAPITAL REDEMPTION RESERVE

The nominal value of shares repurchased and still held at the end of the reporting period.

10. SHARE BASED PAYMENT RESERVE

The cumulative share based payment expenses.

11 ULTIMATE PARENT COMPANY

The company's ultimate parent company is Lees' Foods Limited, incorporated in the United Kingdom and registered in Scotland. Lees' Foods Limited has included the results of the company in its group accounts. The registered office is North Caldeen Road, Coatbridge, ML5 4EF. There is no ultimate controlling party.