Company registration number SC278592 (Scotland)

LAING THE JEWELLER (GLASGOW) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

LAING THE JEWELLER (GLASGOW) LIMITED

COMPANY INFORMATION

Directors	E J Walsh	
	W S Walsh	
	W S Laing	
	R W N Laing	
	S McDowell	
	C McCormack	
	J Aniola	
	S Pearson	
	C E Campbell	
	A B Nelson	(Appointed 1 June 2022)
	S J Gough	(Appointed 1 May 2023)
	J G Matheson	(Appointed 1 May 2023)
Secretary	E J Walsh	
Company number	SC278592	
Registered office	Rowan House 70 Buchanan Street Glasgow United Kingdom G1 3JE	
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF	
Bankers	Virgin Money Plc 30 St Vincent Place Glasgow United Kingdom G1 2HL	
Solicitors	Gunnercooke LLP The Garment Factory 2-10 Glasgow G1 1RE	

LAING THE JEWELLER (GLASGOW) LIMITED

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LAING THE JEWELLER (GLASGOW) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 May 2023.

Review of the business

Laings is one of the oldest family-owned luxury watch and jewellery retailers in the UK, with presence in four principal cities: Glasgow, Edinburgh, Cardiff and Southampton.

In the year under review, turnover was £63.3m (2022 - £60.0m) representing a 5% increase. Gross margin has increased to 34.6% (2022 – 34.0%). Overheads have increased from £14.6m to £17.6m. Profit before tax is £3.7m (2022 - £5.4m). EBITDA is £6.1m (2022 – £7.3m).

The results of the financial year ending 31 May 2023 are the first results in two years where the impact of the COVID 19 pandemic has not had a direct impact. The Company and the wider economy continue to deal with the indirect results and changes arising from the pandemic, Brexit and the cost-of-living crises, however we continue to adapt and evolve in this new economic landscape.

Over the past 12 months, Laings has continued to invest in our retail and workshop spaces, our product offering, our training and development programmes, our IT infrastructure and our e-commerce platform, working closely with our brand partners and our colleagues to realise exceptional retail experiences which give our customers access to luxury shopping every day.

In Glasgow, following the closure of our jewellery and pre-owned boutique in the Argyll Arcade in April 2022, we consolidated our jewellery and watch offering into our Glasgow Flagship store and our jewellery and Tag Heuer store. We continue to develop final plans for the Rowan House building on Buchanan Street which will be our new Flagship location in Glasgow in 2024. As part of the development of Rowan House, we invested in the creation of a Rolex accredited watch service centre of excellence which opened in late spring 2023. The development of this workshop will allow us to service more of our customers timepieces in-house by our highly skilled craftspeople and allows us to be an integral part of customer's watch servicing journey.

In Edinburgh, our watch floor was redesigned and refreshed, offering customers the very best environment to view our luxury brands. Our watch and jewellery workshops were also refreshed in advance of planned significant re-design and investment in the next 12-24 months.

In Cardiff, our mono brand Omega showroom had its first full 12 months of trading and exceeded all expectations. Customers are enjoying the beautiful environment in which to learn more about the brand and can purchase showroom only items. Our main Laings store in Cardiff, continued to go from strength to strength, having relaunched in October 2021 in significantly expanded premises and with the addition of key brand partners Rolex and Patek Philippe to this location.

In Southampton, we have built upon our loyal customer base in the area and consolidated our performance in our existing showroom within the Westquay Shopping Centre. The primary focus in Southampton of recent months has been the development of our new unit in Westquay, which opened in early November 2023.

Online, our e-commerce team partnered with a new digital agency and developer in the year to rebuild and relaunch our website laingsuk.com. This launched in October 2023 and offers our clients a more seamless online journey to view and purchase Laings products and immerse themselves in the World of Laings.

Principal risks and uncertainties

Pandemic event

The COVID-19 pandemic brought to the fore an adaptive and agile business continuity team within the Company which continues to monitor and review our crisis management plans, to ensure readiness for any future similar events.

Key suppliers and supply chain

The manufacture and supply of key luxury watch brands is highly concentrated amongst a small number of brand partners, with the production of luxury watches impacted by the availability of highly skilled watchmakers and other artisans involved in the creation of a timepiece. At Laings, we are committed to investing in the artisan skills and heritage of watchmaking within the UK, evidenced by our investment in our watch service centre of excellence in Glasgow. This allows us to secure skills and expertise which will allow us to service customers' timepieces for years to come.

From a watchmaking perspective, each brand has sole control over the volume of watches produced and thereafter distributed amongst the global retail network through direct brand-operated showrooms, partner-operated showrooms and online. Whilst the Company has no guaranteed volume of supply of luxury watches under its distribution contracts with its key brand partners, the Company carefully manages its ongoing contractual obligations to ensure continued strong partnerships with all its brands. The Company fosters strong relationships with our key brands, who have been vital partners in the Company's success over many years, by ensuring ongoing communication throughout the year and collaboration on upcoming projects. All colleagues involved with our brands undertake all required training to ensure that they best represent our partner brands and continue to deliver the level of exceptional customer service that Laings are renowned for. The Company continues to invest in its showrooms to ensure that the client experience offered is aligned with our brand requirements.

Seasonality

Whilst the Christmas trading period remains a key time for the Company, the seasonality of the business has become flatter due to the steady flow of products throughout the year from our brand partners and suppliers. This reduces the risk of being overly reliant on one trading period of the year. The directors have in place appropriate plans to mitigate the risk of a variety of potential disruptions to the business, ensuring that trading continues as normal wherever possible.

Data protection and cyber security

The importance of protecting sensitive data within the Company is at the forefront of the board's focus as we look to build upon our existing measures and systems, adapting to the changing threats within the cyber environment. We have invested significantly in the past 12 months in new IT software and infrastructure to better protect our data and are working with partners on the move to a new ERP and CRM system in the next 12 months. We continue to work closely with third party partners in this specialist area and have invested in our internal expertise this year.

Economic and political stability

Whilst not in the control of the board, the overall economic and political environment within the UK has an influence on several factors which could impact on the Company's performance and ability to carry out its strategic growth plans. An increase in economic instability can lead to, amongst other things, reduced consumer spending power impacting on consumer demand for luxury watch and jewellery products; higher interest rates which increase the cost of debt service for the Company and rising costs reducing profitability and squeezing liquidity. The board regularly monitor financial and political trends, reforecasting based on any foreseen impact on consumer demand, and factor that into the programme of ongoing projects which the Company has. Core to this is engaging with our customers not just for a single purchase but bringing them on a journey with Laings as their jeweller of choice for their lifetime. Building strong relationships with our customer base is key to managing any change in the economic and political environment.

Financial risk management

The Company addresses risks at periodic board meetings, including an evaluation of the Company's risk appetite and alignment to the Company strategy. The Company risk register is reviewed at least every six months or as and when a change is identified. The principal risks and uncertainties are broadly grouped as either financial risk below or wider economic and operational risk noted above.

Liquidity and cashflow risk

Liquidity and cashflow risk arise from the Company's management of daily working capital, in conjunction with monthly finance charge and principal repayments on the Company's debt facilities. The Company carries out daily cashflow forecasting alongside annual budget setting and cashflow forecasting to ensure that liquidity risk is minimised. Working closely with our lenders is also key to managing our liquidity during periods of significant investment in capital infrastructure and redevelopment.

Credit risk

The Company's exposure to credit risk is minimal as most sales to customers are not on a credit basis. Credit sales are only offered to pre-approved customers, with whom the Company has a close relationship. Credit control limits for such customers are monitored regularly.

Foreign exchange risk

The Company's exposure to foreign exchange risk is indirect as most purchases are made from UK companies. Where exchange rate fluctuations influence the sterling cost price of purchases, appropriate adjustments are made to selling prices to minimise any adverse impact on the Company's results.

Price risk

Price risk is mitigated where selling prices are set by suppliers based on fluctuations in cost price. Where the Company has influence over selling prices, we assess the underlying cost base and adjust prices accordingly.

Key performance indicators

The main financial key performance indicators of the Company are:

- Turnover growth – turnover has increased by 5%.
- Gross margin – gross margin is 34.6% v 34.0% which is in line with the directors' expectations and target margin for the year under review.

These KPIs are reviewed on a weekly basis against prior year and budget for each location and on a company wide basis.

Non-financial key performance indicators

Internally, across the business we apply several non-financial key performance indicators such as brand and product performance, adherence to training metrics by Laings and our brand partners, production efficiency and capacity metrics, wastage, stock turn and many more. These internal measures are reported on a regular basis to the relevant teams within the business to identify areas of strength and areas for continuous improvement.

Future Developments
Over the next 12 to 24 months the Company will continue to deliver on its ambitious investment plans across all four cities in which we are based. As mentioned earlier in this report, the first stage of this was the successful expansion of our Cardiff showroom, establishment of our first Wales based satellite Rolex accredited watch workshop and opening of our first mono-brand showroom there. Following on from that in late spring, the opening of our watch service centre of excellence in Glasgow. Post year end, we opened a mono-brand Tag Heuer showroom on Buchanan Street in Glasgow. Our new Southampton showroom opened in November 23, and next on the horizon is the commencement of works on the retail space within our Rowan House flagship building in Glasgow. We expect completion in mid-2024 and are looking forward to welcoming clients old and new to our vision of luxury retail experience. Plans are also in place for the development of a new mono-brand showroom in Edinburgh, alongside the expansion and development of our George Street showroom. The directors continue to evaluate other exciting opportunities with our brand partners and across our existing cities, which will continue to support our strategic growth plans.

The previous 12 months have been some of the most exciting and fast paced within the Company's history, marking a real step change in our ambitions to develop our brand across the UK, investing in the craft and skills of bespoke jewellery design and creation, watchmaking heritage and curation of luxury jewellery and watch products within beautiful showroom settings, supported by an immersive online shopping experience. The coming 12 months will continue to bring investment and change across the business, putting customer and colleague experience at the forefront of our investment plans.

The directors would like to take this opportunity to thank all our colleagues for their continued commitment and contribution to the future of Laings, without whom we would not be able to achieve our successes to date.

Section 172 statement
Section 172 (1) of the Companies Act 2006 highlights that the directors of a company have a duty to promote that company's success, for the benefit of its members as a whole, and that in order to do so, the directors must consider six key factors being:

a. The likely consequences of any decision in the long-term;

b. The interests of the company's employees;

c. The need to foster the company's business relationships with suppliers, customers and others;

d. The impact of the company's operations on the community and the environment;

e. The desirability of the company maintaining a reputation for high standards of business conduct; and

f. The need to act fairly as between members of the company. All directors are aware of their statutory duties and the requirements to be cognisant in all material respects the factors set out above.

The key stakeholders of the Company are principally the Company's shareholders, its employees, its suppliers and its customers.

The board of directors is made up of twelve directors, the majority of which are involved in the day to day running of the Company, along with heads of department. The long-term strategy of the Company is set at board level and reviewed periodically at board meetings to determine progress, receive feedback and evaluate any proposed changes. Each director provides a written board paper in advance of each meeting, allowing fellow directors the opportunity to discuss further. Board meetings consider, amongst other things, the Company's financing position, product offering, investment plans, expansion opportunities, and marketing and digital strategy.

Operational directors meet weekly with heads of department discussing operational, financial, procurement, marketing, HR, retail and e-commerce matters. Employee, supplier and customer matters are considered at these meetings, ensuring that directors are fully aware of these stakeholders' positions on a regular basis.

Operational directors along with heads of department meet weekly with senior retail and services colleagues to hear about store and department performance v budget, operational and employee matters. These meetings allow regular open and honest communication between senior retail and services colleagues and directors.

Through the suite of communication channels which the board participates in, the directors furnish themselves with the necessary information to ensure that their duties as directors are satisfied.

On behalf of the board

C E Campbell
Director

23 November 2023

LAING THE JEWELLER (GLASGOW) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present their annual report and financial statements for the year ended 31 May 2023.

Principal activities
The principal activity of the company is the retailing of luxury jewellery and watches, both in stores and online, alongside provision of service and design craftsmanship for jewellery and watches.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on page 1 of these financial statements. Financial risk management is also discussed in the strategic report.

Results and dividends
The profit for the year, after taxation, amounted to £2,734,654 (2022: £4,241,580).

Details of dividends paid can be found at note 9. An interim dividend of £1,039,905 was paid to the company's immediate parent company and shareholder.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E J Walsh	
W S Walsh	
W S Laing	
R W N Laing	
S McDowell	
C McCormack	
J Aniola	
S Pearson	
C E Campbell	
A B Nelson	(Appointed 1 June 2022)
S J Gough	(Appointed 1 May 2023)
J G Matheson	(Appointed 1 May 2023)

Auditor
The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

Streamlined Energy and Carbon Reporting (SECR) is presented in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which introduced energy and carbon reporting requirements for large unquoted companies in the UK. The Company meets the criteria of a large unquoted company. The energy and emissions data presented here include all UK operations of Laing the Jeweller (Glasgow) Limited.

The total electricity kWh consumption across all properties is 481,262 (2022 - 438,207), with gas usage of 82,929 (2022 - 134,586). This equates to 116.507 kg CO2e per unit (2022 - 119.410 kg CO2e per unit) under scope 1 to 3 of the UK Government's GHG Conversion Factors for Company Reporting.

Vehicle usage consumes 24,360 kWh (2022 - 34,159 kWh) which equates to 6,469 kg CO2e per unit (2022 - 7,860 kg CO2e per unit) under scope 1 to 3 of the UK Government's GHG Conversion Factors for Company Reporting.

Air travel and hotel accommodation uses energy equivalent to 45,156 kg CO2e per journey (2022 - 41,667 kg CO2e per journey).

The Company is aware of its obligations as an energy user and emitter of CO2 greenhouse gases to reduce consumption wherever possible and reduce our impact on the environment. Our ongoing programme of investment across our locations focuses, amongst other things, on ensuring that any equipment installed is the most energy efficient possible. Other changes which continued during the year have included new printer set-ups ensuring that paper usage is minimised along with progression towards paperless invoicing processes. The Company either owns or leases only electric vehicles for use by directors and encourages staff to make use of public transport for daily commuting to and from their workplace. We also have a cycle to work scheme available for colleagues should they wish.

The methodology used by the group to calculate UK energy CO2 emission was taken from the UK Government GHG Conversion Factors for Company Reporting advisory.

The intensity ratio currently in use by the Company is CO2 emissions in relation to turnover equating to 2.66 kg of CO2 per £1,000 of turnover (2022 - 2.81kg).

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The directors and senior management team meet on a regular basis to discuss the company's performance, review the annual budget and reforecast, when required. Investment projects are also subject to regular review, with any changes factored into updated projections and subsequently stress tested.

In assessing the going concern position of the company, the directors have reviewed the company's budget covering a period of at least the next 12 months, alongside the cashflow projections for the same period which allow for the company's extensive and progressive capital investment programme. Projections have been stress tested and are subject to ongoing review and updates to reflect the performance of the company post year end, and any changes to the working capital base.

Based on the above, the directors are confident that the actions and strategies in place, results in the company being able to mitigate business threats as they arise. As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, therefore, adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

C E Campbell
Director

23 November 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2023

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 LAING THE JEWELLER (GLASGOW) LIMITED

Opinion

We have audited the financial statements of Laing the Jeweller (Glasgow) Limited (the 'company') for the year ended 31 May 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 May 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

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 strategic report or 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud. we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Stephen Wilkie
Senior Statutory Auditor
For and on behalf of Azets Audit Services

24 November 2023

Chartered Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

LAING THE JEWELLER (GLASGOW) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
Turnover	3	63,274,830	60,018,413
Cost of sales		(41,352,808)	(39,583,466)
Gross profit		21,922,022	20,434,947
Administrative expenses		(17,583,833)	(14,621,175)
Other operating income		2,115	19,218
Operating profit	4	4,340,304	5,832,990
Interest payable and similar expenses	7	(637,714)	(378,210)
Profit before taxation		3,702,590	5,454,780
Tax on profit	8	(967,936)	(1,213,200)
Profit for the financial year		2,734,654	4,241,580

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LAING THE JEWELLER (GLASGOW) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2023

	2023 £	2022 £
Profit for the year	2,734,654	4,241,580
Other comprehensive income	-	-
Total comprehensive income for the year	2,734,654	4,241,580

LAING THE JEWELLER (GLASGOW) LIMITED

BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Goodwill	**10**		2,311,755		2,792,855
Other intangible assets	**10**		64,859		28,825
Total intangible assets			2,376,614		2,821,680
Tangible assets	**11**		6,099,502		4,548,232
Investments	**12**		11,110		11,110
			8,487,226		7,381,022
Current assets					
Stocks	**14**	19,258,558		16,564,110	
Debtors	**15**	3,144,210		4,912,842	
Cash at bank and in hand		5,385		803,272	
		22,408,153		22,280,224	
Creditors: amounts falling due within one year	**16**	(12,228,600)		(13,900,450)	
Net current assets			10,179,553		8,379,774
Total assets less current liabilities			18,666,779		15,760,796
Creditors: amounts falling due after more than one year	**17**		(8,897,066)		(7,955,936)
Provisions for liabilities					
Deferred tax liability	**20**	868,162		598,058	
			(868,162)		(598,058)
Net assets			8,901,551		7,206,802
Capital and reserves					
Called up share capital	**22**		1,000		1,000
Share premium account			738,902		738,902
Profit and loss reserves			8,161,649		6,466,900
Total equity			8,901,551		7,206,802

The financial statements were approved by the board of directors and authorised for issue on 23 November 2023 and are signed on its behalf by:

C E Campbell
Director

Company Registration No. SC278592

LAING THE JEWELLER (GLASGOW) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2021		1,000	738,902	5,260,590	6,000,492
Year ended 31 May 2022:					
Profit and total comprehensive income for the year		-	-	4,241,580	4,241,580
Dividends	**9**	-	-	(3,035,270)	(3,035,270)
Balance at 31 May 2022		1,000	738,902	6,466,900	7,206,802
Year ended 31 May 2023:					
Profit and total comprehensive income for the year		-	-	2,734,654	2,734,654
Dividends	**9**	-	-	(1,039,905)	(1,039,905)
Balance at 31 May 2023		1,000	738,902	8,161,649	8,901,551

1 Accounting policies

Company information

Laing the Jeweller (Glasgow) Limited is a private company limited by shares incorporated in Scotland. The registered office is Rowan House, 70 Buchanan Street, Glasgow, United Kingdom, G1 3JE.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Laing the Jeweller (Glasgow) Limited is a wholly owned subsidiary of Laings UK Holding Limited and the results of Laing the Jeweller (Glasgow) Limited are included in the consolidated financial statements of Laings UK Holding Limited which are available from Rowan House, 70 Buchanan Street, Glasgow, G1 3JE.

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.

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.

1 Accounting policies **(Continued)**

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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 between 10 and 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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	5 - 7 years straight line

1.6 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:

Leasehold land and buildings	Straight line over life of lease
Plant and equipment	Straight line between 5 and 7 years
Fixtures and fittings	Straight line between 5 and 7 years
Computers	Straight line over 5 years
Motor vehicles	Straight line over 5 years

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 Accounting policies **(Continued)**

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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.

1.9 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 cost and replacement 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.

1.10 Cash and cash equivalents

Cash and cash equivalents 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 Accounting policies **(Continued)**

1.11 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1 Accounting policies **(Continued)**

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 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.

1.13 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.

1 Accounting policies **(Continued)**

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.

1.14 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.

1.15 Retirement benefits

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

1.16 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 profit or loss 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 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.

1.17 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 Accounting policies **(Continued)**

1.18 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock

Stock is reviewed to ensure it is carried at the lower of cost and net realisable value, with any provision against the value being based on circumstances where a reliable estimate to the carrying value can be made.

Goodwill

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated applying the straight line method to its estimated useful life. Estimates of the economic useful life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of cash generating units to which goodwill is attributed, any legal, regulatory or contractual provision that can limit useful life and assumptions that marked participants would consider in resect of similar businesses.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Sale of goods	60,684,404	57,643,231
Sale of services	2,590,426	2,375,182
	63,274,830	60,018,413

	2023	2022
	£	£
Other revenue		
Commissions received	2,115	2,870
Grants received	-	16,348

All turnover arose within the United Kingdom.

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2023 £	2022 £
Exchange gains	(3,775)	(90)
Government grants	-	(16,348)
Fees payable to the company's auditor for the audit of the company's financial statements	34,500	28,750
Depreciation of owned tangible fixed assets	1,225,557	929,492
Depreciation of tangible fixed assets held under finance leases	2,019	301
Amortisation of intangible assets	501,673	509,984
Operating lease charges	1,955,260	1,586,632

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration	61	40
Selling and distribution	139	140
Directors	10	7
Total	210	187

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	5,927,776	5,019,063
Social security costs	581,773	418,738
Pension costs	515,852	382,209
	7,025,401	5,820,010

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	735,938	495,138
Company pension contributions to defined contribution schemes	112,052	77,488
	847,990	572,626

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 10 (2022 - 7).

6 Directors' remuneration **(Continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	172,445	164,904
Company pension contributions to defined contribution schemes	39,500	16,025

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	636,157	373,800
Interest on finance leases and hire purchase contracts	1,557	2,177
Other interest	-	2,233
	637,714	378,210

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	731,148	1,039,215
Adjustments in respect of prior periods	(33,316)	(8,596)
Total current tax	697,832	1,030,619
Deferred tax		
Origination and reversal of timing differences	270,104	182,581
Total tax charge	967,936	1,213,200

8 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	3,702,590	5,454,780
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2022: 19.00%)	740,619	1,036,408
Tax effect of expenses that are not deductible in determining taxable profit	84,710	58,177
Group relief	-	(305)
Other permanent differences	(133)	(127)
Under/(over) provided in prior years	(33,316)	(8,596)
Deferred tax adjustments in respect of prior years	62,637	8,479
Remeasurement of deferred tax for changes in tax rates	41,470	41,785
Fixed asset differences	71,949	77,379
Taxation charge for the year	967,936	1,213,200

Factors that may affect future tax charge

The Chancellor confirmed in the budget on 15 March 2023, that there would be an increase in the top rate of corporation tax to 25% for companies generating taxable profits of more than £250,000. A corporation tax rate of 19% will apply to companies generating taxable profits of less than £50,000. A marginal rate will be applied for profits between these taxable profit bandings. This change became effective from 1 April 2023, therefore increasing the standard tax rate in the year.

9 Dividends

	2023	2022
	£	£
Final paid	-	2,684,884
Interim paid	1,039,905	350,386
	1,039,905	3,035,270

10 Intangible fixed assets

	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 June 2022	5,079,095	167,118	5,246,213
Additions	-	56,607	56,607
At 31 May 2023	5,079,095	223,725	5,302,820
Amortisation and impairment			
At 1 June 2022	2,286,240	138,293	2,424,533
Amortisation charged for the year	481,100	20,573	501,673
At 31 May 2023	2,767,340	158,866	2,926,206
Carrying amount			
At 31 May 2023	2,311,755	64,859	2,376,614
At 31 May 2022	2,792,855	28,825	2,821,680

11 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 June 2022	2,336,208	7,260	5,181,646	579,633	129,494	8,234,241
Additions	70,968	154,875	2,443,140	60,697	49,166	2,778,846
At 31 May 2023	2,407,176	162,135	7,624,786	640,330	178,660	11,013,087
Depreciation and impairment						
At 1 June 2022	1,137,807	692	2,190,509	346,919	10,082	3,686,009
Depreciation charged in the year	219,095	10,353	888,562	78,751	30,815	1,227,576
At 31 May 2023	1,356,902	11,045	3,079,071	425,670	40,897	4,913,585
Carrying amount						
At 31 May 2023	1,050,274	151,090	4,545,715	214,660	137,763	6,099,502
At 31 May 2022	1,198,401	6,568	2,991,137	232,714	119,412	4,548,232

11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Fixtures and fittings	14,809	8,737

12 Fixed asset investments

	Notes	2023	2022
		£	£
Investments in subsidiaries	13	11,110	11,110

13 Subsidiaries

Details of the company's subsidiaries at 31 May 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Laing the Jeweller Limited	1	Dormant company	Ordinary	100.00
Parkhouse the Jeweller Limited	2	Dormant company	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Rowan House, 70 Buchanan Street, Glasgow, G1 3JE
2 Westquay Shopping Centre, Harbour Parade, Unit Su61, Southampton, SO15 1QF

14 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	19,258,558	16,564,110

There is no material difference between the replacement cost of stocks and the amounts stated above.

15 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	102,009	107,263
Other debtors	1,310,782	3,454,470
Prepayments and accrued income	1,731,419	1,351,109
	3,144,210	4,912,842

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	1,783,261	2,487,564
Obligations under finance leases	19	9,652	11,490
Trade creditors		6,336,836	5,110,668
Amounts owed to group undertakings		14,623	2,699,507
Corporation tax		489,186	799,692
Other taxation and social security		164,041	191,066
Other creditors		1,640,308	1,516,715
Accruals and deferred income		1,790,693	1,083,748
		12,228,600	13,900,450

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	8,883,674	7,950,000
Obligations under finance leases	19	13,392	5,936
		8,897,066	7,955,936

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	9,495,918	10,437,564
Bank overdrafts	1,171,017	-
	10,666,935	10,437,564
Payable within one year	1,783,261	2,487,564
Payable after one year	8,883,674	7,950,000

Virgin Money Plc holds a bond and floating charge over the assets of the company. A cross guarantee exists with the bank over the assets of Laing the Jeweller (Glasgow) Limited and Laing Glasgow Holdings Limited.

The above borrowings include a CBILS loan and a revolving credit facility. The CBILS loan incurred interest at 2.95% above LIBOR. The revolving credit facility is rolling and bears interest at 3.5% above LIBOR.

19 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	£	£
Within one year	9,652	11,490
In two to five years	13,392	5,936
	23,044	17,426

The obligations under finance lease and hire purchase contracts are secured over the related assets under the agreements.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	873,637	606,722
Short term timing differences	(5,475)	(8,664)
	868,162	598,058

	2023
Movements in the year:	£
Liability at 1 June 2022	598,058
Charge to profit or loss	270,104
Liability at 31 May 2023	868,162

21 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	495,852	382,209

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000

All shares rank equally in all respects and have the right to vote, to participate in the payment of dividends and participate in a return of capital.

None of the shares are redeemable or are liable to be redeemed.

23 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability due to cross guarantee given to a related party. The total is £7,449,110 (2022: £8,237,001).

24 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	1,695,067	1,323,314
Between two and five years	10,307,033	10,701,577
In over five years	15,195,071	17,135,446
	27,197,171	29,160,337

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	2,699,941	334,424

26 Related party transactions

Transactions with related parties

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

	Rent		Management charge	
	2023	2022	2023	2022
	£	£	£	£
Other related parties	675,450	461,823	600,000	1,158,000

26 Related party transactions **(Continued)**

Amounts due to related parties	**2023** £	**2022** £
Other related parties	67,545	111,352

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2023** £	**2022** £
Other related parties	260,104	2,684,844

27 Directors' transactions

Mrs W S Walsh's director's loan balance was £1,040,678 (2022: £709,905) at the year end. The maximum balance was £1,607,617 (2022: £796,679) during the year. Included within trade debtors is £59,412 (2022: £42,360) due from the directors at the year end.

28 Ultimate controlling party

The immediate parent company is Laing Glasgow Holdings Limited, which in turn is a wholly owned subsidiary of Laings UK Holding Limited.

The ultimate controlling party is considered to be Mrs W S Walsh as a result their controlling interest in Laings UK Holding Limited.