

**JAMES MCLAREN & SON (BAKERS)
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2017

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JAMES MCLAREN & SON (BAKERS) LIMITED

COMPANY INFORMATION

Directors	Mr W McLaren Mrs K Murray
Secretary	Mrs K Murray
Company number	SC214218
Registered office	22-26 Market Street Forfar Angus DD8 3EW

JAMES MCLAREN & SON (BAKERS) LIMITED

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JAMES MCLAREN & SON (BAKERS) LIMITED

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	3		44,236		55,736
Tangible assets	4		57,748		45,051
			<u>101,984</u>		<u>100,787</u>
Current assets					
Stocks		17,000		13,782	
Debtors	5	4,009		8,130	
Cash at bank and in hand		18,751		22,574	
		<u>39,760</u>		<u>44,486</u>	
Creditors: amounts falling due within one year	6	<u>(48,979)</u>		<u>(50,804)</u>	
Net current liabilities			<u>(9,219)</u>		<u>(6,318)</u>
Total assets less current liabilities			92,765		94,469
Creditors: amounts falling due after more than one year	7		(9,700)		-
Provisions for liabilities			<u>(2,435)</u>		<u>(3,844)</u>
Net assets			<u>80,630</u>		<u>90,625</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			80,530		90,525
Total equity			<u>80,630</u>		<u>90,625</u>

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

For the financial year ended 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

JAMES MCLAREN & SON (BAKERS) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

The financial statements were approved by the board of directors and authorised for issue on 23/5/17
and are signed on its behalf by:

William McLaren

Mr W McLaren
Director

Company Registration No. SC214218

JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

James McLaren & Son (Bakers) Limited is a private company limited by shares incorporated in Scotland. The registered office is 22-26 Market Street, Forfar, Angus, DD8 3EW and the registration number is SC214218.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of James McLaren & Son (Bakers) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 represents bakery sales during the year net of VAT and trade discounts.

Revenue from the sale of bakery products is recognised on a cash basis at the point of sale.

1.4 Intangible fixed assets - goodwill

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

1.5 Tangible fixed assets

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	- 15% reducing balance
Fixtures & fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

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

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors 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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.11 Taxation

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

Current tax

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

Deferred tax

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

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.

1.12 Employee benefits

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

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

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

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

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

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 27 (2016 - 26).

JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

3 Intangible fixed assets

Goodwill
£

Cost

At 1 June 2016 and 31 May 2017

230,000

Amortisation and impairment

At 1 June 2016

174,264

Amortisation charged for the year

11,500

At 31 May 2017

185,764

Carrying amount

At 31 May 2017

44,236

At 31 May 2016

55,736

4 Tangible fixed assets

Land and buildings	Plant and machinery etc	Total
£	£	£

Cost

At 1 June 2016

4,747	219,323	224,070
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Additions

1,780	31,842	33,622
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Disposals

-	(26,975)	(26,975)
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At 31 May 2017

6,527	224,190	230,717
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Depreciation and impairment

At 1 June 2016

3,322	175,697	179,019
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Depreciation charged in the year

481	14,043	14,524
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Eliminated in respect of disposals

-	(20,574)	(20,574)
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At 31 May 2017

3,803	169,166	172,969
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Carrying amount

At 31 May 2017

2,724	55,024	57,748
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At 31 May 2016

1,425	43,626	45,051
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5 Debtors

Amounts falling due within one year:

Other debtors

2017	2016
£	£

4,009	8,130
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JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	6,899	-
Trade creditors	3,867	9,816
Corporation tax	12,253	16,219
Other taxation and social security	10,763	3,401
Other creditors	15,197	21,368
	<u>48,979</u>	<u>50,804</u>

Included in other creditors are obligations under finance leases amounting to £6,110 (2016 - £2,130). These are secured over the related assets.

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	9,700	-
	<u>9,700</u>	<u>-</u>

Obligations under finance leases are secured over the related assets.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	-	100
95 Ordinary A shares of £1 each	95	-
5 Ordinary B shares of £1 each	5	-
	<u>100</u>	<u>100</u>

During the year 100 Ordinary shares of £1 each were converted to 95 Ordinary A shares and 5 Ordinary B shares of £1 each.

9 Operating lease commitments

Lessee

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

	2017 £	2016 £
	19,200	21,400
	<u>19,200</u>	<u>21,400</u>

JAMES MCLAREN & SON (BAKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

10 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Key management personnel	<u>3,067</u>	<u>13,472</u>