

Company Registration No. SC214218 (Scotland)

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

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2019**

**PAGES FOR FILING WITH REGISTRAR**

# JAMES MCLAREN & SON (BAKERS) LIMITED

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# JAMES MCLAREN & SON (BAKERS) LIMITED

## BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	3		21,236		32,736
Tangible assets	4		44,262		54,383
			<u>65,498</u>		<u>87,119</u>
<b>Current assets</b>					
Stocks		17,000		17,000	
Debtors	5	4,345		5,515	
Cash at bank and in hand		16,713		15,404	
		<u>38,058</u>		<u>37,919</u>	
<b>Creditors: amounts falling due within one year</b>	6	(42,505)		(53,540)	
<b>Net current liabilities</b>			<u>(4,447)</u>		<u>(15,621)</u>
<b>Total assets less current liabilities</b>			61,051		71,498
<b>Creditors: amounts falling due after more than one year</b>	7		-		(6,679)
<b>Provisions for liabilities</b>			<u>(1,010)</u>		<u>(2,455)</u>
<b>Net assets</b>			<u>60,041</u>		<u>62,364</u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss reserves			59,941		62,264
<b>Total equity</b>			<u>60,041</u>		<u>62,364</u>

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

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

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 MAY 2019**

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For the financial year ended 31 May 2019 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 Companies Act 2006 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.

The financial statements were approved by the board of directors and authorised for issue on 7 December 2019 and are signed on its behalf by:

Mr W McLaren  
**Director**

**Company Registration No. SC214218**

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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### 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.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

The company has net current liabilities of £4,447. The directors' consider it appropriate to prepare the financial statements on a going concern basis. In coming to this conclusion they confirm that they will not seek repayment of their loan accounts and will support the company for at least twelve months from the date of approval of these accounts.

#### 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

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.

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

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### 1 Accounting policies

(Continued)

#### 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 transaction 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 2019

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### 1 Accounting policies

(Continued)

#### 1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.12 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.

#### 1.13 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.

#### 1.14 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.

#### 1.15 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.

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 1 Accounting policies

(Continued)

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.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2018 - 25).

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 June 2018 and 31 May 2019	230,000
<b>Amortisation and impairment</b>	
At 1 June 2018	197,264
Amortisation charged for the year	11,500
At 31 May 2019	208,764
<b>Carrying amount</b>	
At 31 May 2019	21,236
At 31 May 2018	32,736



# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 June 2018	6,526	226,046	232,572
Additions	1,091	-	1,091
	<u>7,617</u>	<u>226,046</u>	<u>233,663</u>
At 31 May 2019	7,617	226,046	233,663
<b>Depreciation and impairment</b>			
At 1 June 2018	4,212	173,977	178,189
Depreciation charged in the year	511	10,701	11,212
	<u>4,723</u>	<u>184,678</u>	<u>189,401</u>
At 31 May 2019	4,723	184,678	189,401
<b>Carrying amount</b>			
At 31 May 2019	<u>2,894</u>	<u>41,368</u>	<u>44,262</u>
At 31 May 2018	<u>2,314</u>	<u>52,069</u>	<u>54,383</u>

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	<u>4,345</u>	<u>5,515</u>

### 6 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	5,184	13,314
Trade creditors	8,992	13,218
Corporation tax	12,192	4,512
Other taxation and social security	4,441	2,316
Other creditors	<u>11,696</u>	<u>20,180</u>
	<u>42,505</u>	<u>53,540</u>

Included in other creditors are obligations under finance leases amounting to £5,164 (2018 - £9,140). These are secured over the related assets.

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	-	6,679
	<u>          </u>	<u>          </u>

### 8 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
95 Ordinary A shares of £1 each	95	95
5 Ordinary B shares of £1 each	5	5
	<u>          </u>	<u>          </u>
	100	100
	<u>          </u>	<u>          </u>

### 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:

	2019 £	2018 £
	19,200	19,200
	<u>          </u>	<u>          </u>

### 10 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Loan	-	(2,732)	7,680	(6,885)	(1,937)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		(2,732)	7,680	(6,885)	(1,937)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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