

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

**UNAUDITED FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

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

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# JAMES MCLAREN & SON (BAKERS) LIMITED

## BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	3		32,736		44,236
Tangible assets	4		54,383		57,748
			<u>87,119</u>		<u>101,984</u>
<b>Current assets</b>					
Stocks		17,000		17,000	
Debtors	5	5,515		4,009	
Cash at bank and in hand		15,404		18,751	
		<u>37,919</u>		<u>39,760</u>	
<b>Creditors: amounts falling due within one year</b>	6	(53,540)		(48,979)	
<b>Net current liabilities</b>			<u>(15,621)</u>		<u>(9,219)</u>
<b>Total assets less current liabilities</b>			71,498		92,765
<b>Creditors: amounts falling due after more than one year</b>	7		(6,679)		(9,700)
<b>Provisions for liabilities</b>			<u>(2,455)</u>		<u>(2,435)</u>
<b>Net assets</b>			<u>62,364</u>		<u>80,630</u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss reserves			62,264		80,530
<b>Total equity</b>			<u>62,364</u>		<u>80,630</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 2018**

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For the financial year ended 31 May 2018 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 2/2/18 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 2018**

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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 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.

#### **1.3 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.

#### **1.4 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
Plant and machinery	
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.

#### **1.5 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.

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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### 1 Accounting policies

(Continued)

#### 1.6 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.

#### 1.7 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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 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.

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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### 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.

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.

#### **1.11 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.

#### **1.12 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.

#### **1.13 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 25 (2017 - 27).

# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 June 2017 and 31 May 2018	230,000
<b>Amortisation and impairment</b>	
At 1 June 2017	185,764
Amortisation charged for the year	11,500
At 31 May 2018	197,264
<b>Carrying amount</b>	
At 31 May 2018	32,736
At 31 May 2017	44,236

### 4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 June 2017	6,526	224,191	230,717
Additions	-	11,490	11,490
Disposals	-	(9,635)	(9,635)
At 31 May 2018	6,526	226,046	232,572
<b>Depreciation and impairment</b>			
At 1 June 2017	3,803	169,166	172,969
Depreciation charged in the year	409	13,723	14,132
Eliminated in respect of disposals	-	(8,912)	(8,912)
At 31 May 2018	4,212	173,977	178,189
<b>Carrying amount</b>			
At 31 May 2018	2,314	52,069	54,383
At 31 May 2017	2,724	55,024	57,748

### 5 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Other debtors	5,515	4,009



# JAMES MCLAREN & SON (BAKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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

	2018 £	2017 £
Bank loans and overdrafts	13,314	6,899
Trade creditors	13,218	3,867
Corporation tax	4,512	12,253
Other taxation and social security	2,316	10,763
Other creditors	20,180	15,197
	<u>53,540</u>	<u>48,979</u>

Included in other creditors are obligations under finance leases amounting to £9,140 (2017 - £6,110). These are secured over the related assets.

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

	2018 £	2017 £
Other creditors	<u>6,679</u>	<u>9,700</u>

Obligations under finance leases are secured over the related assets.

### 8 Called up share capital

	2018 £	2017 £
<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>100</u>	<u>100</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:

	2018 £	2017 £
	<u>19,200</u>	<u>19,200</u>