

**JAMES LAW (CHEMICALS) LIMITED**  
**UNAUDITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2017**

**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**

**JAMES LAW (CHEMICALS) LIMITED**  
**REGISTERED NUMBER:00326561**

**BALANCE SHEET**  
**AS AT 31 MAY 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	5	63,874	84,185
		<u>63,874</u>	<u>84,185</u>
<b>Current assets</b>			
Stocks	6	53,590	48,304
Debtors: amounts falling due within one year	7	128,726	142,273
Cash at bank and in hand	8	-	25
		<u>182,316</u>	<u>190,602</u>
Creditors: amounts falling due within one year	9	(162,198)	(150,597)
<b>Net current assets</b>		<u>20,118</u>	<u>40,005</u>
<b>Total assets less current liabilities</b>		<u>83,992</u>	<u>124,190</u>
Creditors: amounts falling due after more than one year	10	-	(18,029)
<b>Provisions for liabilities</b>			
Deferred tax	11	(10,859)	(15,153)
		<u>(10,859)</u>	<u>(15,153)</u>
<b>Net assets</b>		<u><u>73,133</u></u>	<u><u>91,008</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,300	3,300
Share premium account		930	930
Profit and loss account		68,903	86,778
		<u><u>73,133</u></u>	<u><u>91,008</u></u>

**JAMES LAW (CHEMICALS) LIMITED**  
**REGISTERED NUMBER:00326561**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MAY 2017**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2017.

**Mr S Wilkinson**

Director

**Mr T M Jefferson**

Director

The notes on pages 3 to 10 form part of these financial statements.

**JAMES LAW (CHEMICALS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017**

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**1. General information**

James Law (Chemicals) Limited is a company limited by shares, incorporated in England and Wales. The registered office is Crossley Street Works, Crossley Street, Smallbridge, Rochdale, OL16 2QA.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017**2. Accounting policies (continued)****2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	-	10%
Plant and equipment	-	10%
Motor vehicles	-	20%
Office equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017**2. Accounting policies (continued)****2.10 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.12 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017

## 3. Employees

The average monthly number of employees, including directors, during the year was 6 (2016 - 6).

## 4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 June 2016	19,410
At 31 May 2017	19,410
<b>Amortisation</b>	
At 1 June 2016	19,410
At 31 May 2017	19,410
<b>Net book value</b>	
At 31 May 2017	-
<i>At 31 May 2016</i>	-

## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017

## 5. TANGIBLE FIXED ASSETS

	Other fixed assets £
<b>Cost or valuation</b>	
At 1 June 2016	161,858
Additions	570
Disposals	(5,995)
At 31 May 2017	<u>156,433</u>
<b>Depreciation</b>	
At 1 June 2016	77,673
Charge for the year on owned assets	20,881
Disposals	(5,995)
At 31 May 2017	<u>92,559</u>
<b>Net book value</b>	
At 31 May 2017	<u><u>63,874</u></u>
<i>At 31 May 2016</i>	<u><u>84,185</u></u>

## 6. Stocks

	2017 £	2016 £
Raw materials and consumables	53,590	48,304
	<u><u>53,590</u></u>	<u><u>48,304</u></u>

## 7. Debtors

	2017 £	2016 £
Trade debtors	125,294	136,442
Amounts owed by group undertakings	-	2,270
Other debtors	36	36
Prepayments and accrued income	3,396	3,525
	<u><u>128,726</u></u>	<u><u>142,273</u></u>



## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017

## 7. Debtors (continued)

## 8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	-	25
Less: bank overdrafts	(64,044)	(39,337)
	<u>(64,044)</u>	<u>(39,312)</u>

## 9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	64,044	39,337
Bank loans	18,829	20,894
Trade creditors	56,109	64,172
Amounts owed to group undertakings	1,941	-
Corporation tax	10,733	13,572
Other taxation and social security	7,991	9,947
Accruals and deferred income	2,551	2,675
	<u>162,198</u>	<u>150,597</u>

## 10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	-	18,029
	<u>-</u>	<u>18,029</u>

## Secured loans

The bank loan is secured by a fixed charge over all book and other debts of James Law (Chemicals) Limited and floating charges over all assets, goodwill, undertaking and uncalled capital, both present and future of the company. In addition guarantees have been given by S Wilkinson and T Jefferson to secure all liabilities of James Law (Chemicals) Limited.

## JAMES LAW (CHEMICALS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017**11. Deferred taxation**

	2017 £
At beginning of year	(15,153)
Charged to profit or loss	4,294
<b>At end of year</b>	<b><u>(10,859)</u></b>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(10,859)
	<b><u>(10,859)</u></b>

**12. Related party transactions**

During the year rental amounts of £15,000 (2016 - £12,000) were paid to James Law (Holdings Ltd).

At the balance sheet date an amount of £36 (2016 - £36) was owed to the company by a director. No interest has been charged on the balance which is repayable on demand.

**13. Controlling party**

The ultimate controlling party is James Law (Holdings) Ltd, whose principle place of business is Crossley Street Works, Crossley Street, Smallbridge, Rochdale, OL16 2QA.

**JAMES LAW (CHEMICALS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2017**

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**First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS

102 and have not impacted on equity or profit or loss.

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