
PERCY INGLE BAKERIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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PERCY INGLE BAKERIES LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | D P Ingle Esq J Darby Esq P D Ingle Esq M Ingle Esq |
| Company secretary | M Ingle Esq |
| Registered number | 00584236 |
| Registered office | 210 Church Road London E10 7JQ |
| Independent auditor | Barnes Roffe LLP Chartered Accountants Statutory Auditor Leytonstone House Leytonstone London E11 1GA |

PERCY INGLE BAKERIES LIMITED

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PERCY INGLE BAKERIES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Introduction

The directors are satisfied with the results for the year.

Business review

The operating loss of £117,101 (2015 - £10,901 profit) reflects the continued challenging trading environment for the business.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows:

Financial

- Maintain and develop customer footfall - this is managed by regular assessments of customer trends, product development and competitive product pricing;

Operational

- Product quality (including food safety) - this is managed by internal and external audits to ensure food safety is maintained.

Financial key performance indicators

The directors actively review the monthly management accounts, forecasts, shop turnover and cash levels as key indicators to monitor the performance of the company.

Other key performance indicators

The directors actively review and monitor the results produced by the EPOS software.

This report was approved by the board on 21 February 2017 and signed on its behalf.

M Ingle Esq
Secretary



PERCY INGLE BAKERIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Results and dividends

The loss for the year, after taxation, amounted to £287,048 (2015 - loss £122,416).

Directors

The directors who served during the year were:

D P Ingle Esq
J Darby Esq
P D Ingle Esq
M Ingle Esq

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth and sustainability in recent years.

PERCY INGLE BAKERIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 February 2017 and signed on its behalf.

M Ingle Esq
Secretary



PERCY INGLE BAKERIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PERCY INGLE BAKERIES LIMITED

We have audited the financial statements of Percy Ingle Bakeries Limited for the year ended 30 June 2016, set out on pages 6 to 24. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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 those financial statements.

PERCY INGLE BAKERIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PERCY INGLE BAKERIES LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stuart Moon.

Stuart Moon (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

Date:

21 February 2017.

PERCY INGLE BAKERIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2016 £ | 2015 £ |
|--------------------------------------|------|------------------|------------------|
| Turnover | 4 | 12,323,634 | 12,281,235 |
| Cost of sales | | (4,574,178) | (4,644,566) |
| Gross profit | | 7,749,456 | 7,636,669 |
| Distribution costs | | (3,880,372) | (3,620,396) |
| Administrative expenses | | (4,291,162) | (4,309,255) |
| Other operating income | 5 | 304,977 | 303,883 |
| Operating (loss)/profit | 6 | (117,101) | 10,901 |
| Interest payable and similar charges | 8 | - | (3,308) |
| (Loss)/profit before tax | | (117,101) | 7,593 |
| Tax on (loss)/profit | 9 | (169,947) | (130,009) |
| Loss for the year | | (287,048) | (122,416) |

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 10 to 24 form part of these financial statements.

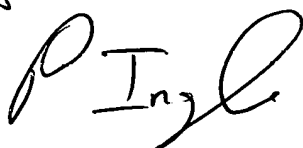
PERCY INGLE BAKERIES LIMITED
REGISTERED NUMBER: 00584236

BALANCE SHEET
AS AT 30 JUNE 2016

| | Note | £ | 2016 £ | £ | 2015 £ |
|---|------|------------------|--------------------|-----------|-------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 5,302,931 | | 5,179,182 |
| Investment properties | 11 | | 2,957,000 | | 2,146,000 |
| | | | 8,259,931 | | 7,325,182 |
| Current assets | | | | | |
| Stocks | 12 | 55,236 | | 59,585 | |
| Debtors: amounts falling due within one year | 13 | 340,881 | | 477,145 | |
| Cash at bank and in hand | 14 | 5,708 | | 159,211 | |
| | | 401,825 | | 695,941 | |
| Creditors: amounts falling due within one year | 15 | (741,329) | | (919,113) | |
| Net current liabilities | | | (339,504) | | (223,172) |
| Total assets less current liabilities | | | 7,920,427 | | 7,102,010 |
| Creditors: amounts falling due after more than one year | 16 | | (6,000,142) | | (5,875,624) |
| Provisions for liabilities | | | | | |
| Deferred tax | 18 | (725,718) | | (555,771) | |
| | | | (725,718) | | (555,771) |
| Net assets | | | 1,194,567 | | 670,615 |
| Capital and reserves | | | | | |
| Called up share capital | 19 | | 5,682 | | 5,682 |
| Share premium account | 20 | | 15,618 | | 15,618 |
| Revaluation reserve | 20 | | 865,549 | | 54,549 |
| Profit and loss account | 20 | | 307,718 | | 594,766 |
| | | | 1,194,567 | | 670,615 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
21 February 2017

P D Ingle Esq
Director



J Darby Esq
Director



The notes on pages 10 to 24 form part of these financial statements.

PERCY INGLE BAKERIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

| | Called up share capital | Share premium account | Revaluation reserve | Profit and loss account | Total equity |
|--|------------------------------------|--------------------------------------|--------------------------------|------------------------------------|---------------------|
| | £ | £ | £ | £ | £ |
| At 1 July 2015 | 5,682 | 15,618 | 54,549 | 594,766 | 670,615 |
| Comprehensive income for the year | | | | | |
| Loss for the year | - | - | - | (287,048) | (287,048) |
| Surplus on revaluation of freehold property | - | - | 811,000 | - | 811,000 |
| Total comprehensive income for the year | - | - | 811,000 | (287,048) | 523,952 |
| At 30 June 2016 | 5,682 | 15,618 | 865,549 | 307,718 | 1,194,567 |

PERCY INGLE BAKERIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | Called up share capital | Share premium account | Revaluation reserve | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|------------------------|----------------------------|----------------|
| | £ | £ | £ | £ | £ |
| At 1 July 2014 | 5,682 | 15,618 | 54,549 | 717,182 | 793,031 |
| Comprehensive income for the year | | | | | |
| Loss for the year | - | - | - | (122,416) | (122,416) |
| Total comprehensive income for the year | - | - | - | (122,416) | (122,416) |
| At 30 June 2015 | 5,682 | 15,618 | 54,549 | 594,766 | 670,615 |

The notes on pages 10 to 24 form part of these financial statements.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. General information

Percy Ingle Bakeries Limited (the "Company") is a company limited by shares, incorporated in England and Wales on 20 May 1957. The business address is 210 Church Road, London, E10 7JQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of <enter asset type> and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Percy Ingle Holdings Limited as at 30 June 2016 and these financial statements may be obtained from the register office of the parent company.

2.3 Revenue recognition

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.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following annual bases:

| | |
|----------------------------------|------------------------------|
| Freehold land and buildings | - 2% straight line |
| Leasehold land and buildings | - over the term of the lease |
| Plant and machinery | - 3 - 33% straight line |
| Motor vehicles | - 25% reducing balance |
| Fixtures, fittings and equipment | - 3 - 33% straight line |

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 comprehensive income.

2.5 Investment properties

Investment property is carried at fair value determined annually by internal valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 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.

2.7 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.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.8 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.

2.9 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.10 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.

2.11 Finance costs

Finance costs are charged to the Profit and loss account 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.

PERCY INGLE BAKERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the profit and loss account on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The company derives the fair value of investment properties from the current market rents and investment property yields for comparable real estate based on the average of a range of published data sources.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2016 £ | 2015 £ |
|-----------|-------------------|-------------------|
| Retail | 12,095,864 | 12,073,424 |
| Wholesale | 227,770 | 207,811 |
| | <u>12,323,634</u> | <u>12,281,235</u> |

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the one principal activity of the company being that of producing and retailing bakery and confectionery goods.

PERCY INGLE BAKERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

5. Other operating income

| | 2016 | 2015 |
|---------------------------|-----------------------|-----------------------|
| | £ | £ |
| Other operating income | 202,714 | 204,555 |
| Service charge receivable | 102,263 | 99,328 |
| | <u>304,977</u> | <u>303,883</u> |

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2016 | 2015 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 560,030 | 525,423 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 17,000 | 17,000 |
| Other operating lease rentals | 733,055 | 750,578 |
| | <u>1,310,085</u> | <u>1,292,401</u> |

During the year, no director received any emoluments (2015 - £NIL).

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

8. Interest payable and similar charges

| | 2016 | 2015 |
|-----------------------|-----------------|---------------------|
| | £ | £ |
| Bank interest payable | - | 3,308 |
| | <u>-</u> | <u>3,308</u> |

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. Taxation

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Corporation tax | | |
| Adjustments in respect of previous periods | - | (1,208) |
| | - | (1,208) |
| Total current tax | - | (1,208) |
| Deferred tax | | |
| Origination and reversal of timing differences | 169,947 | 131,217 |
| Total deferred tax | 169,947 | 131,217 |
| Taxation on profit on ordinary activities | 169,947 | 130,009 |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | (117,101) | 7,593 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%) | (23,420) | 1,519 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 2,044 |
| Deferred tax not provided | - | 5,498 |
| Adjustments to tax charge in respect of prior periods and change in tax rates | - | (1,208) |
| Losses surrendered to fellow subsidiary | 62,889 | - |
| Deferred tax on fair value adjustments | 130,478 | 122,156 |
| Total tax charge for the year | 169,947 | 130,009 |

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

10. Tangible fixed assets

| | Land and buildings £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|-----------------------------|----------------------------|-----------------------------|------------------------|-------------------------------|------------|
| Cost or valuation | | | | | |
| At 1 July 2015 | 656,671 | 3,005,794 | 358,827 | 8,445,794 | 12,467,086 |
| Additions | - | 175,337 | 15,096 | 493,346 | 683,779 |
| At 30 June 2016 | 656,671 | 3,181,131 | 373,923 | 8,939,140 | 13,150,865 |
| Depreciation | | | | | |
| At 1 July 2015 | 156,433 | 1,896,603 | 266,001 | 4,968,867 | 7,287,904 |
| Charge owned for the period | 13,922 | 119,309 | 26,008 | 400,791 | 560,030 |
| At 30 June 2016 | 170,355 | 2,015,912 | 292,009 | 5,369,658 | 7,847,934 |
| Net book value | | | | | |
| At 30 June 2016 | 486,316 | 1,165,219 | 81,914 | 3,569,482 | 5,302,931 |
| At 30 June 2015 | 500,238 | 1,109,191 | 92,826 | 3,476,927 | 5,179,182 |

The net book value of land and building may be further analysed as follows:

| | 2016 £ | 2015 £ |
|----------------|-----------|-----------|
| Freehold | 416,535 | 430,457 |
| Long leasehold | 69,781 | 69,781 |
| | 486,316 | 500,238 |

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

11. Investment properties

| | Investment properties £ |
|--------------------------|-------------------------------|
| Cost or valuation | |
| At 1 July 2015 | 2,146,000 |
| Revaluations | 811,000 |
| | <hr/> |
| At 30 June 2016 | 2,957,000 |
| | <hr/> |
| | <hr/> |
| At 30 June 2016 | - |
| | <hr/> |
| Net book value | |
| At 30 June 2016 | 2,957,000 |
| | <hr/> |
| At 30 June 2015 | 2,146,000 |
| | <hr/> |

PERCY INGLE BAKERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

12. Stocks

| | 2016 £ | 2015 £ |
|---------------|-------------------|-------------------|
| Raw materials | 55,236 | 59,585 |
| | 55,236 | 59,585 |

Stock recognised in cost of sales during the year as an expense was £726,089 (2015 - £776,509).

13. Debtors

| | 2016 £ | 2015 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 19,161 | 15,779 |
| Amounts owed by group undertakings | 76,297 | 217,760 |
| Other debtors | 19,446 | 21,476 |
| Prepayments and accrued income | 225,977 | 222,130 |
| | 340,881 | 477,145 |

14. Cash and cash equivalents

| | 2016 £ | 2015 £ |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | 5,708 | 159,211 |
| Less: bank overdrafts | (40,046) | - |
| | (34,338) | 159,211 |

PERCY INGLE BAKERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Bank overdrafts | 40,046 | - |
| Other loans | 451 | 451 |
| Trade creditors | 256,139 | 327,921 |
| Amounts owed to group undertakings | 184,330 | 120,000 |
| Taxation and social security | 93,777 | 78,781 |
| Other creditors | 11,185 | - |
| Accruals and deferred income | 155,401 | 391,960 |
| | <u>741,329</u> | <u>919,113</u> |

The bank overdraft facility is secured against certain freehold properties owned by the company and its fellow subsidiary, Percy Ingle Services Limited.

16. Creditors: Amounts falling due after more than one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 6,000,142 | 5,875,624 |
| | <u>6,000,142</u> | <u>5,875,624</u> |

17. Financial instruments

| | 2016 £ | 2015 £ |
|---|--------------------|--------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 2,962,708 | 2,305,211 |
| Financial assets that are debt instruments measured at amortised cost | 114,904 | 255,015 |
| | <u>3,077,612</u> | <u>2,560,226</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (6,647,694) | (6,715,956) |
| | <u>(6,647,694)</u> | <u>(6,715,956)</u> |

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

18. Deferred taxation

| | 2016 £ | 2015 £ |
|-------------------------------|------------------|------------------|
| At beginning of year | (555,771) | (424,554) |
| Charged to the profit or loss | (169,947) | (131,217) |
| At end of year | (725,718) | (555,771) |

The provision for deferred taxation is made up as follows:

| | 2016 £ | 2015 £ |
|--------------------------------|------------------|------------------|
| Accelerated capital allowances | (725,718) | (555,771) |
| | (725,718) | (555,771) |

19. Share capital

| | 2016 £ | 2015 £ |
|---|--------------|--------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 5,632 Ordinary shares of £1 each | 5,632 | 5,632 |
| 50 Ordinary non-voting shares of £1 each | 50 | 50 |
| | 5,682 | 5,682 |

There are two classes of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

PERCY INGLE BAKERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Reserves

Share premium

The Share premium account consists of any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

The Revaluation reserve is a non-distributable reserve and represents revaluations made on the investment properties.

Profit & loss account

The Profit and loss account consists of distributable reserves arising from cumulative historical profits and losses less any distributions made.

21. Pension commitments

The company operates a defined pension scheme and the pension charge represents the amounts payable by the company in respect of the year. During the year the total contributions made were £28,687 (2015 - £26,407).

22. Commitments under operating leases - lessee

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Not later than 1 year | 647,320 | 661,806 |
| Later than 1 year and not later than 5 years | 1,332,187 | 1,753,379 |
| Later than 5 years | 609,847 | 835,974 |
| | <u>2,589,354</u> | <u>3,251,159</u> |

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. Income under operating leases - lessor

At 30 June 2016 the Company had future minimum lease receipts under non-cancellable operating leases as follows:

| | 2016 £ | 2016 £ |
|--|------------------|------------------|
| Not later than 1 year | 159,162 | 185,216 |
| Later than 1 year and not later than 5 years | 456,168 | 505,581 |
| Later than 5 years | 600,004 | 709,754 |
| | <u>1,215,334</u> | <u>1,400,551</u> |

24. Related party transactions

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12 and paragraph 33.1A, from disclosing transactions with key management and from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

The balances and transactions with related parties which are not wholly owned within the Group are as follows:

| | 2016 £ | 2015 £ |
|---|-----------------|----------------|
| Amounts due from/(to) a company with common director | 3,145 | 3,145 |
| Amounts due from/(to) a partnership in which the company is a designated member | (64,330) | 141,463 |
| Amounts due from/(to) a related pension scheme | (451) | (451) |
| Total balance due from/(to) related parties | <u>(61,636)</u> | <u>144,157</u> |

25. Controlling party

The company regards D P Ingle as its ultimate controlling party.

The company regards Percy Ingle Holding Limited as its ultimate parent company.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

26. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 July 2014

| | |
|---|----------------|
| | £ |
| Equity at 1 July 2014 under previous UK GAAP | 738,482 |
| Fair value adjustment on investment properties | 54,549 |
| | <hr/> |
| Equity shareholders funds at 1 July 2014 under FRS 102 | 793,031 |
| | <hr/> |

Reconciliation of equity at 30 June 2015

| | |
|--|----------------|
| | £ |
| Equity at 30 June 2015 under previous UK GAAP | 701,983 |
| Fair value adjustment on investment properties | 54,549 |
| Deferred tax on fair value adjustment on investment properties | (131,217) |
| Depreciation adjustment on reclassified investment properties | 45,300 |
| | <hr/> |
| Equity shareholders funds at 30 June 2015 under FRS 102 | 670,615 |
| | <hr/> |

Reconciliation of profit and loss account for the year ended 30 June 2015

| | |
|--|------------------|
| | £ |
| Profit for the year under UK GAAP | (36,500) |
| Depreciation adjustment on reclassified investment properties | 45,300 |
| Deferred tax on fair value adjustment on investment properties | (131,217) |
| | <hr/> |
| Loss for the year ended 30 June 2015 under FRS 102 | (122,417) |
| | <hr/> |

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 The company has elected to reclassify certain freehold properties as investment properties where not used in the ordinary course of the trade.