

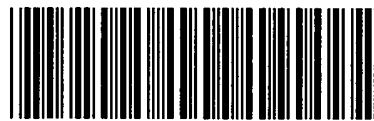
**Company registration number 04475122**

**Love Handmade Cakes (formerly known as Exquisite Handmade Cakes Limited)**

**Unaudited financial statements**

**30th November 2015**

**WEDNESDAY**



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**31/08/2016**

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**COMPANIES HOUSE**

**Financial statements**

**for the year ended 30th November 2015**

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## **Officers and professional advisers**

### **The board of directors**

Mr J R Jones  
Mrs J E M Bond  
Ms P M Mccann

### **Registered office**

Unit 3  
Cardigan Trading Estate  
Lennox Road  
Leeds  
LS4 2BL

### **Accountants**

Sagars Accountants Ltd  
Chartered Accountants  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

## **Directors' report**

### **for the year ended 30th November 2015**

The directors present their report and the unaudited financial statements of the company for the year ended 30th November 2015.

#### **Principal activities**

The principal activity of the company during the year was that of the manufacture of cakes and biscuits.

#### **Directors**

The directors who served the company during the year were as follows:

Ms V J Parry  
Mr J R Jones  
Mrs J E M Bond  
Ms P M Mccann

Ms V J Parry retired as a director on 26th June 2015.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:  
Unit 3  
Cardigan Trading Estate  
Lennox Road  
Leeds  
LS4 2BL

Signed on behalf of the directors



Ms P M Mccann

Director

Approved by the directors on 27th August 2016

## **Profit and Loss Account**

**for the year ended 30th November 2015**

	Note	2015 £	2014 £
<b>Turnover</b>		1,968,655	1,609,765
<b>Cost of sales</b>		<u>1,478,828</u>	<u>1,172,483</u>
<b>Gross profit</b>		489,827	437,282
Administrative expenses		460,998	473,952
Other operating income	2	<u>–</u>	<u>(15,030)</u>
<b>Operating profit/(loss)</b>	3	28,829	(21,640)
Interest payable and similar charges		(9,309)	(11,403)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>19,520</u>	<u>(33,043)</u>
Tax on profit/(loss) on ordinary activities		2,000	(5,031)
<b>Profit/(loss) for the financial year</b>		<u><u>17,520</u></u>	<u><u>(28,012)</u></u>

The notes on pages 6 to 12 form part of these financial statements.

**Balance sheet**  
**as at 30th November 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	4	–	–
Tangible assets	5	314,897	290,618
		<u>314,897</u>	<u>290,618</u>
<b>Current assets</b>			
Stocks		59,977	51,665
Debtors	6	347,709	283,467
Cash at bank and in hand		3,125	6,456
		<u>410,811</u>	<u>341,588</u>
<b>Creditors: Amounts falling due within one year</b>	7	374,148	381,964
<b>Net current assets/(liabilities)</b>		<u>36,663</u>	<u>(40,376)</u>
<b>Total assets less current liabilities</b>		<u>351,560</u>	<u>250,242</u>
<b>Creditors: Amounts falling due after more than one year</b>	8	56,106	76,581
<b>Provisions for liabilities</b>			
Deferred taxation	9	17,000	15,000
		<u>278,454</u>	<u>158,661</u>
<b>Capital and reserves</b>			
Called up equity share capital	12	44,641	36,546
Share premium account	13	212,885	118,707
Profit and loss account	13	20,928	3,408
<b>Shareholders' funds</b>	13	<u>278,454</u>	<u>158,661</u>

The Balance sheet continues on the following page.  
The notes on pages 6 to 12 form part of these financial statements.

**Balance sheet** *(continued)*  
**as at 30th November 2015**

For the year ended 30th November 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 27th August 2016, and are signed on their behalf by:

Ms P M Mccann  
Director



Company Registration Number: 04475122

The notes on pages 6 to 12 form part of these financial statements.

## Notes to the financial statements

### for the year ended 30th November 2015

#### 1. Accounting policies

##### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company's forecasts and projections show that the Company should be able to operate within the level of its current financing arrangements. After making enquiries, the directors have a confident expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of preparation for the accounts.

##### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax and trade discounts.

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	Equal instalments
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##### Fixed assets

All fixed assets are initially recorded at cost.

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the term of the lease
Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	20% reducing balance
Equipment	-	20% reducing balance

##### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

##### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.



## Notes to the financial statements

### for the year ended 30th November 2015

#### 1. Accounting policies *(continued)*

##### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

##### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 2. Other operating income

	2015 £	2014 £
Other operating income	—	<u>15,030</u>

## Notes to the financial statements

### for the year ended 30th November 2015

#### 3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2015 £	2014 £
Directors' remuneration	62,111	51,369
Depreciation of owned fixed assets	45,589	25,323
Depreciation of assets held under hire purchase agreements	3,879	1,698
Profit on disposal of fixed assets	–	(1,734)
	<u>          </u>	<u>          </u>

#### 4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1st December 2014 and 30th November 2015	<u>3,800</u>
<b>Amortisation</b>	
At 1st December 2014 and 30th November 2015	<u>3,800</u>
<b>Net book value</b>	
At 30th November 2015	<u>–</u>
At 30th November 2014	<u>–</u>

#### 5. Tangible assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 December 2014	110,336	336,757	18,733	386	466,212
Additions	–	73,747	–	–	73,747
At 30 November 2015	<u>110,336</u>	<u>410,504</u>	<u>18,733</u>	<u>386</u>	<u>539,959</u>
<b>Depreciation</b>					
At 1 December 2014	–	163,624	11,841	129	175,594
Charge for the year	22,067	25,970	1,379	52	49,468
At 30 November 2015	<u>22,067</u>	<u>189,594</u>	<u>13,220</u>	<u>181</u>	<u>225,062</u>
<b>Net book value</b>					
At 30 November 2015	<u>88,269</u>	<u>220,910</u>	<u>5,513</u>	<u>205</u>	<u>314,897</u>
At 30 November 2014	<u>110,336</u>	<u>173,133</u>	<u>6,892</u>	<u>257</u>	<u>290,618</u>

## Notes to the financial statements

### for the year ended 30th November 2015

#### 5. Tangible assets *(continued)*

##### Hire purchase agreements

Included within the net book value of £314,897 is £21,983 (2014 - £32,124) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,879 (2014 - £1,698).

#### 6. Debtors

	2015 £	2014 £
Trade debtors	321,074	250,853
Called up share capital not paid	873	—
Other debtors	25,762	32,614
	<u>347,709</u>	<u>283,467</u>

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

	2015 £	2014 £
Bank overdrafts	1,216	29,868
Trade creditors	223,183	197,448
Other taxation and social security	14,161	12,268
Hire purchase agreements	6,280	7,154
Other creditors	129,308	135,226
	<u>374,148</u>	<u>381,964</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015 £	2014 £
Bank overdrafts	1,216	29,868
Other creditors	14,267	12,432
Hire purchase agreements	6,280	7,154
	<u>21,763</u>	<u>49,454</u>

The bank overdraft is secured by way of a fixed and floating charge over the undertakings and all property and assets owned by the company.

The other secured creditors relate to a Crowd Funding loan and are secured by way of a fixed charge.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

## Notes to the financial statements

### for the year ended 30th November 2015

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

	2015 £	2014 £
Hire purchase agreements	6,750	13,030
Other creditors	49,356	63,551
	<u>56,106</u>	<u>76,581</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015 £	2014 £
Other creditors	7,682	21,877
Hire purchase agreements	6,750	13,030
	<u>14,432</u>	<u>34,907</u>

The other secured creditors relate to a Crowd Funding loan and are secured by way of a fixed charge.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

#### 9. Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of taxation allowances over depreciation on fixed assets	17,000	15,000
	<u>17,000</u>	<u>15,000</u>

#### 10. Commitments under operating leases

At 30th November 2015 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2015 £	2014 £
Operating leases which expire:		
Within 1 year	995	2,502
Within 2 to 5 years	69,255	69,255
	<u>70,250</u>	<u>71,757</u>

## Notes to the financial statements

### for the year ended 30th November 2015

#### 11. Related party transactions

The company was controlled by the directors throughout the year.

During the year, Mrs V Parry withdrew £462 (2014 - £56,292) and loaned the company £nil (2014 - £5,000). The balance owed to Mrs V Parry at the year-end is £3,287 and this balance is included in other creditors (2014 - £3,749).

During the year, Mr J Jones, a director, loaned the company £nil (2014 - £31,667). The balance owed to Mr J Jones at the year-end is £31,667 (2014 - £31,667). This balance is included in other creditors.

During the year, Mrs J Bond, a director, loaned the company £nil (2014 - £31,667). The balance owed to Mrs J Bond at the year-end is £31,667 (2014 - £31,667). This balance is included in other creditors.

#### 12. Share capital

##### Allotted and called up:

	2015		2014	
	No	£	No	£
Ordinary shares (2014 - 20,100) of £1 each	4,204	4,204	20,100	20,100
Ordinary A shares of £1 each	1,827	1,827	1,827	1,827
Ordinary B shares (2014 - 14,619) of £1 each	21,679	21,679	14,619	14,619
Ordinary C shares of £1 each	1,400	1,400		
Deferred shares of £1 each	15,531	15,531	-	-
	<u>44,641</u>	<u>44,641</u>	<u>36,546</u>	<u>36,546</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2015	2014
	£	£
Ordinary shares	<u>873</u>	<u>-</u>

On 17 January 2015, 365 Ordinary shares were converted to 365 Ordinary B shares.

On 26 June 2015, 15,531 Ordinary shares were converted to 15,531 Deferred shares.

On 20 July 2015, 1,400 £1 Ordinary C shares were issued for a consideration of £1.00 per share.

On 24 July 2015, 873 £1 Ordinary B shares were issued for consideration of £1.00 per share.

On 10 October 2015, 5,822 £1 Ordinary B shares were issued for consideration of £17.17 per share.

The credit to the share premium account in the period of £94,178 was created on the issue of the Ordinary B shares.

## Notes to the financial statements

### for the year ended 30th November 2015

**13. Reconciliation of shareholders' funds and movement on reserves**

	Share capital £	Share premium account £	Profit and loss account £	Total share-holders' funds £
Balance brought forward	36,546	118,707	3,408	158,661
Profit for the year	–	–	17,520	17,520
Other movements				
New equity share capital subscribed	8,095	94,178	–	102,273
Balance carried forward	<u>44,641</u>	<u>212,885</u>	<u>20,928</u>	<u>278,454</u>

**Management information**  
**for the year ended 30th November 2015**

**The following pages do not form part of the statutory financial statements.**

**Detailed profit and loss account**  
**for the year ended 30th November 2015**

	2015		2014
	£	£	£
<b>Turnover</b>	<b>1,968,655</b>		<b>1,609,765</b>
<b>Cost of sales</b>			
Opening stock	51,665		66,140
Purchases	1,020,262		760,436
Direct wages	404,782		357,007
Directors salaries	34,989		15,000
National insurance contributions on direct labour	27,107		25,565
	<u>1,538,805</u>		<u>1,224,148</u>
Closing stock	<u>(59,977)</u>		<u>(51,665)</u>
	<b>1,478,828</b>		<b>1,172,483</b>
<b>Gross profit</b>	<b>489,827</b>		<b>437,282</b>
<b>Overheads</b>			
Administrative expenses	460,998		473,952
	<u>28,829</u>		<u>(36,670)</u>
<b>Other operating income</b>			
Gouvernement grants received	—		15,030
<b>Operating profit/(loss)</b>	<b>28,829</b>		<b>(21,640)</b>
Interest payable	<u>(9,309)</u>		<u>(11,403)</u>
<b>Profit/(loss) on ordinary activities</b>	<b><u>19,520</u></b>		<b><u>(33,043)</u></b>



## Notes to the detailed profit and loss account

### for the year ended 30th November 2015

	2015 £	2014 £
<b>Administrative expenses</b>		
Directors salaries	27,122	36,369
Wages and salaries	104,418	97,578
Staff national insurance contributions	12,802	5,811
Rent	45,615	47,581
Rates and water	19,451	8,641
Light and heat	22,466	29,210
Insurance	15,321	18,556
Repairs and maintenance	17,979	8,253
Management charges	4,184	12,039
Waste collection	5,499	3,505
Motor expenses	1,123	1,893
Travel and subsistence	8,103	12,393
Vehicle leasing charges	5,430	4,536
Telephone	9,671	12,178
Hire of equipment	2,125	2,678
Equipment leasing charges	17,410	19,594
Printing, stationery and postage	5,795	6,046
Computer running costs	3,306	5,447
Subscriptions	2,268	3,214
Staff training	1,859	2,729
Overalls	7,232	2,502
Sundry expenses	3,325	5,397
Cleaning	17,033	12,831
Donations	-	315
Relocation expenses	340	17,562
Marketing and advertising	31,821	35,388
Entertaining	-	573
Health & safety expenses	2,147	2,899
Board mentoring	-	7,900
Legal and professional fees	3,172	7,323
Micro testing	1,164	(144)
Accountancy fees	5,916	4,212
Depreciation of leasehold property	22,067	-
Depreciation of plant and machinery	25,970	25,233
Depreciation of fixtures and fittings	1,379	1,723
Depreciation of office equipment	52	65
Profit on disposal of fixed assets	-	(1,734)
Financial costs	2,261	11,959
Bank charges	5,172	1,697
	<u>460,998</u>	<u>473,952</u>
<b>Interest payable</b>		
Bank interest payable	2,758	2,785
Hire purchase and finance lease charges	2,258	3,180
Interest on other loans	4,293	5,438
	<u>9,309</u>	<u>11,403</u>