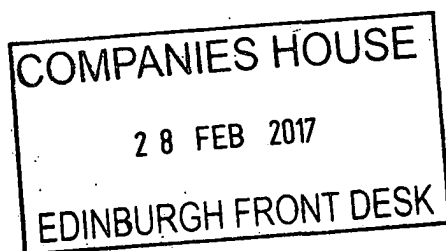


JB Foods (Scotland) Ltd.
Abbreviated Financial Statements
For the year ended
31st May 2016



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SCT 28/02/2017 #114
COMPANIES HOUSE

THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Statutory Auditors
Abercorn School
Newton
West Lothian
EH52 6PZ

JB Foods (Scotland) Ltd.

Abbreviated Financial Statements

Year ended 31st May 2016

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JB Foods (Scotland) Ltd.

Officers and Professional Advisers

The board of directors

T J Brown
C N Brown
L C Brown
G Black
M Douglas
T J Boyle – resigned 9th February 2017

Company secretary

M Douglas

Registered office

Edgefield Industrial Estate
Loanhead
Midlothian
EH20 9TB

Auditor

The A9 Partnership Limited
Chartered Accountants & Statutory Auditors
Abercorn School
Newton
West Lothian
EH52 6PZ

Bankers

HSBC
76 Hanover Street
Edinburgh
EH2 1EL

Solicitors

Balfour + Manson LLP
54-66 Frederick Street
Edinburgh
EH2 1LS

JB Foods (Scotland) Ltd.

Strategic Report

Year ended 31st May 2016

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

Future development and performance of the company

Considering the general economic climate the Directors are satisfied with the net trading results for the year, and with the retention and development of trade. In the forthcoming year, the Directors would be happy to maintain a similar trading pattern, retaining current business and continuing to develop further opportunities.

Key performance indicators

The company continues to analyse its development and performance by use of financial KPIs including gross profit margin, stock ratios and turnover; which benchmark the business against similar businesses. In addition the Directors review on a weekly basis the number of sales credit notes issued as a result of errors in the sales, stock picking and delivery processes.

Principal risks and uncertainties

As for many businesses of our size, the business environment in which we operate continues to be challenging. The Food Wholesale market in the UK is highly competitive and margins continue to be tight. The Directors consider however that there are no direct risks or uncertainties concerning the business other than the general economic climate, which the Directors believe the company is well placed to deal with.

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to this risk.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

This report was approved by the board of directors on 28th February 2017 and signed on behalf of the board by:



Marshall Douglas
Company Secretary

Registered office:
Edgefield Industrial Estate
Loanhead
Midlothian
EH20 9TB

JB Foods (Scotland) Ltd.

Directors' Report

Year ended 31st May 2016

The directors present their report and the abbreviated financial statements of the company for the year ended 31st May 2016.

Principal activities

The principal activity of the company during the year was that of wholesale distribution of food.

Directors

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

T J Brown
C N Brown
L C Brown
G Black
A J Boyle – resigned 9th February 2017
M Douglas

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

Considering the general economic climate the Directors are satisfied with the net trading results for the year, and with the retention and development of trade. In the forthcoming year, the Directors would be happy to maintain a similar trading pattern, retaining current business and continuing to develop further opportunities.

Qualifying indemnity provision

Qualifying indemnity insurance has been taken out in favour of the directors.

Disclosure of information in the strategic report

We have chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

JB Foods (Scotland) Ltd.

Directors' Report *(continued)*

Year ended 31st May 2016

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 28th February 2017 and signed on behalf of the board by:



Marshall Douglas
Company Secretary

Registered office:
Edgefield Industrial Estate
Loanhead
Midlothian
EH20 9TB

JB Foods (Scotland) Ltd.

Independent Auditor's Report to JB Foods (Scotland) Ltd. under section 449 of the Companies Act 2006

Year ended 31st May 2016

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, together with the financial statements of JB Foods (Scotland) Ltd. for the year ended 31st May 2016 prepared under section 396 of the Companies Act 2006.

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 auditors 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

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



Richard Baird CA, ATII (Senior Statutory Auditor)

For and on behalf of
The A9 Partnership Limited
Chartered Accountants & Statutory Auditors
Abercorn School
Newton
West Lothian
EH52 6PZ

28th February 2017

JB Foods (Scotland) Ltd.

Abbreviated Statement of Comprehensive Income

Year ended 31st May 2016

	Note	2016 £	2015 £
Turnover	3	20,120,544	18,911,521
Cost of sales and other operating income		15,088,118	14,195,684
Administrative expenses		<u>4,865,303</u>	<u>4,398,194</u>
Operating profit	5	167,123	317,643
Interest payable and similar charges	9	<u>64,592</u>	<u>53,105</u>
Profit on ordinary activities before taxation		102,531	264,538
Tax on profit on ordinary activities	10	<u>83,634</u>	<u>62,033</u>
Profit for the financial year and total comprehensive income		<u><u>18,897</u></u>	<u><u>202,505</u></u>

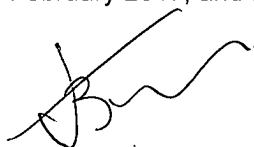
All the activities of the company are from continuing operations.

JB Foods (Scotland) Ltd.**Statement of Financial Position****31st May 2016**

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	12	210,000	233,333
Tangible assets	13	3,698,860	3,379,713
Investments	14	1,150	1,150
		<u>3,910,010</u>	<u>3,614,196</u>
Current assets			
Stocks	15	1,289,363	1,332,694
Debtors	16	1,785,713	1,716,283
Cash at bank and in hand		462	450
		<u>3,075,538</u>	<u>3,049,427</u>
Creditors: amounts falling due within one year	18	<u>3,503,340</u>	<u>3,453,904</u>
Net current liabilities		<u>427,802</u>	<u>404,477</u>
Total assets less current liabilities		<u>3,482,208</u>	<u>3,209,719</u>
Creditors: amounts falling due after more than one year	19	1,462,863	1,134,791
Provisions			
Taxation including deferred tax	21	262,967	183,393
Net assets		<u>1,756,378</u>	<u>1,891,535</u>
Capital and reserves			
Called up share capital	25	20,000	20,000
Profit and loss account	26	1,736,378	1,871,535
Members funds		<u>1,756,378</u>	<u>1,891,535</u>

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 28th February 2017, and are signed on behalf of the board by:



T J Brown
Director

Company registration number: SC059981

JB Foods (Scotland) Ltd.

Statement of Changes in Equity

Year ended 31st May 2016

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1st June 2014 (as previously reported)	20,000	266,536	1,553,953	1,840,489
Prior period adjustments	—	(266,536)	195,077	(71,459)
At 1st June 2014 (restated)	<u>20,000</u>	<u>—</u>	<u>1,749,030</u>	<u>1,769,030</u>
Profit for the year	—	—	202,505	202,505
Total comprehensive income for the year	—	—	202,505	202,505
Dividends paid and payable 11	—	—	(80,000)	(80,000)
Total investments by and distributions to owners	—	—	(80,000)	(80,000)
At 31st May 2015 (as previously reported)	20,000	266,536	1,680,158	1,966,694
Prior period adjustments	—	(266,536)	191,377	(75,159)
At 31st May 2015 (restated)	<u>20,000</u>	<u>—</u>	<u>1,871,535</u>	<u>1,891,535</u>
Profit for the year	—	—	18,897	18,897
Total comprehensive income for the year	—	—	18,897	18,897
Dividends paid and payable 11	—	—	(154,054)	(154,054)
Total investments by and distributions to owners	—	—	(154,054)	(154,054)
At 31st May 2016	<u>20,000</u>	<u>—</u>	<u>1,736,378</u>	<u>1,756,378</u>

JB Foods (Scotland) Ltd.

Statement of Cash Flows

Year ended 31st May 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		18,897	202,505
<i>Adjustments for:</i>			
Depreciation of tangible assets		163,495	102,864
Amortisation of intangible assets		23,333	16,667
Interest payable and similar charges		64,592	53,105
Loss/(gains) on disposal of tangible assets		5,448	(7,434)
Tax on profit on ordinary activities		83,634	62,033
Accrued expenses		93,984	66,945
<i>Changes in:</i>			
Stocks		43,331	(215,430)
Trade and other debtors		(69,430)	(305,148)
Trade and other creditors		73,666	263,861
Cash generated from operations		500,950	239,968
Interest paid		(64,592)	(53,105)
Tax paid		(16,232)	(36,599)
Net cash from operating activities		<u>420,126</u>	<u>150,264</u>
Cash flows from investing activities			
Purchase of tangible assets		(535,835)	(245,765)
Proceeds from sale of tangible assets		47,746	43,560
Purchase of intangible assets		–	(250,000)
Proceeds from sale of other investments		–	5,000
Net cash used in investing activities		<u>(488,089)</u>	<u>(447,205)</u>
Cash flows from financing activities			
Proceeds from borrowings		451,990	(71,828)
Proceeds from loans from participating interests		24,799	(3,720)
Payments of finance lease liabilities		(167)	103,465
Dividends paid		(154,054)	(80,000)
Net cash from/(used in) financing activities		<u>322,568</u>	<u>(52,083)</u>
Net increase/(decrease) in cash and cash equivalents		254,605	(349,024)
Cash and cash equivalents at beginning of year		<u>(1,223,076)</u>	<u>(874,052)</u>
Cash and cash equivalents at end of year	17	<u>(968,471)</u>	<u>(1,223,076)</u>

The notes on pages 10 to 26 form part of these financial statements.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements

Year ended 31st May 2016

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Edgefield Industrial Estate, Loanhead, Midlothian, EH20 9TB.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of consolidation

The company has taken advantage of the provisions of section 405(2) of the Companies Act 2006 not to prepare consolidated accounts. The subsidiary undertaking has been omitted on the grounds of not being material for the purposes of giving a true and fair view. As a result the financial statements only refer to the parent undertaking.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st June 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 30.

Judgements and key sources of estimation uncertainty

Significant judgements

Management have not made any significant judgements (apart from those involving estimations) in the process of applying the entity's accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Management do not believe there are any key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Revenue recognition

Turnover represents the value, net of value added tax and discounts, of goods provided to customers. Turnover is recognised in the accounts upon delivery of the goods to the customers.

Income tax

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.

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.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

2. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Goodwill

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

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

Goodwill - 10 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

JB Foods (Scotland) Ltd.**Notes to the Abbreviated Financial Statements** *(continued)***Year ended 31st May 2016****2. Accounting policies** *(continued)***Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

2. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

2. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship (see hedge accounting policy).

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

3. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>20,120,544</u>	<u>18,911,521</u>

4. Other operating income

	2016 £	2015 £
Rental income	36,974	63,383
Management charges receivable	—	6,000
Other operating income	<u>81,157</u>	<u>106,763</u>
	<u>118,131</u>	<u>176,146</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	23,333	16,667
Depreciation of tangible assets	163,495	102,864
Loss/(gains) on disposal of tangible assets	5,448	(7,434)
Cost of stocks recognised as an expense	15,206,249	14,371,831
Operating lease payments expensed	361,462	340,444
Impairment of trade debtors	<u>24,000</u>	<u>24,000</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>12,750</u>	<u>12,225</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Distribution staff	61	53
Administrative staff	60	45
Management staff	<u>8</u>	<u>8</u>
	<u>129</u>	<u>106</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	2,697,295	2,367,612
Social security costs	247,855	191,515
Other pension costs	<u>23,769</u>	<u>17,519</u>
	<u>2,968,919</u>	<u>2,576,646</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements (continued)

Year ended 31st May 2016

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	419,085	380,812
Company contributions to defined contribution pension plans	7,321	7,355
	<u>426,406</u>	<u>388,167</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	<u>4</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	163,680	138,900
Company contributions to defined contribution pension plans	2,405	2,405
	<u>166,085</u>	<u>141,305</u>

9. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	18,782	23,833
Interest on obligations under finance leases and hire purchase contracts	9,735	5,485
Other interest payable and similar charges	36,075	23,787
	<u>64,592</u>	<u>53,105</u>

10. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	17,200	23,607
Adjustments in respect of prior periods	(13,140)	2,254
Total current tax	<u>4,060</u>	<u>25,861</u>
Deferred tax:		
Origination and reversal of timing differences	79,574	36,172
Tax on profit on ordinary activities	<u>83,634</u>	<u>62,033</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

10. Tax on profit on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	102,531	264,538
Profit on ordinary activities by rate of tax	20,507	52,907
Adjustment to tax charge in respect of prior periods	(13,140)	2,254
Effect of expenses not deductible for tax purposes	16,995	7,091
Effect of capital allowances and depreciation	(20,302)	(36,391)
Origination and reversal of timing differences	79,574	36,172
Tax on profit on ordinary activities	83,634	62,033

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Equity dividends on ordinary shares	154,054	80,000

12. Intangible assets

	Goodwill £
Cost	
At 1 Jun 2015 and 31 May 2016	250,000
Amortisation	
At 1st June 2015	16,667
Charge for the year	23,333
At 31st May 2016	40,000
Carrying amount	
At 31st May 2016	210,000
At 31st May 2015	233,333

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

13. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 June 2015	2,780,000	1,416,705	122,025	370,153	4,688,883
Additions	117,144	283,520	23,344	111,827	535,835
Disposals	—	(19,500)	—	(81,240)	(100,740)
At 31 May 2016	<u>2,897,144</u>	<u>1,680,725</u>	<u>145,369</u>	<u>400,740</u>	<u>5,123,978</u>
Depreciation					
At 1 June 2015	—	1,043,639	106,421	159,109	1,309,169
Charge for the year	—	96,375	5,842	61,278	163,495
Disposals	—	(14,983)	—	(32,563)	(47,546)
At 31 May 2016	<u>—</u>	<u>1,125,031</u>	<u>112,263</u>	<u>187,824</u>	<u>1,425,118</u>
Carrying amount					
At 31 May 2016	<u>2,897,144</u>	<u>555,694</u>	<u>33,106</u>	<u>212,916</u>	<u>3,698,860</u>
At 31 May 2015	<u>2,780,000</u>	<u>373,066</u>	<u>15,604</u>	<u>211,044</u>	<u>3,379,714</u>

The company has granted a bond and floating charge over all of the company's assets to HSBC in respect of all bank borrowings. The company has also granted fixed securities to HSBC over both of their properties.

Tangible assets held at valuation

Post year end in July 2016 the company's land and buildings were valued by DM Hall Chartered Surveyors, who are independent of the company. The total valuation of the company's land and buildings amounted £3,025,000. This valuation will be recorded in the financial statements for the year ended 31st May 2017.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31st May 2016	
Aggregate cost	2,630,608
Aggregate depreciation	—
Carrying value	<u>2,630,608</u>
 At 31st May 2015	
Aggregate cost	2,513,464
Aggregate depreciation	—
Carrying value	<u>2,513,464</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements (continued)

Year ended 31st May 2016

13. Tangible assets (continued)

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31st May 2016	<u>37,609</u>	<u>191,682</u>	<u>229,291</u>
At 31st May 2015	<u>31,466</u>	<u>191,525</u>	<u>222,991</u>

Capital commitments

	2016 £	2015 £
Contracted for but not provided for in the financial statements	<u>82,925</u>	<u>—</u>

14. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 Jun 2015 and 31 May 2016	<u>900</u>	<u>250</u>	<u>1,150</u>
Impairment			
At 1 Jun 2015 and 31 May 2016	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
At 31st May 2016	<u>900</u>	<u>250</u>	<u>1,150</u>

Subsidiaries, associates and other investments

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
Double A Ices Limited	Scotland	Ordinary	100
Other significant holdings			
Frozen Food Wholesale Limited	England	Ordinary	25
Cateforce Limited	England	Ordinary	12.5

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements (continued)

Year ended 31st May 2016

14. Investments (continued)

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2016	2015	2016	2015
	£	£	£	£
Subsidiary undertakings				
Double A Ices Limited	(900)	(900)	—	—
Other significant holdings				
Frozen Food Wholesale Limited	46	1,057	(1,011)	57
Cateforce Limited	<u>49,365</u>	<u>49,365</u>	<u>—</u>	<u>—</u>

15. Stocks

	2016	2015
	£	£
Goods for resale	<u>1,289,363</u>	<u>1,332,694</u>

16. Debtors

	2016	2015
	£	£
Trade debtors	1,548,638	1,573,922
Prepayments and accrued income	23,983	28,383
Directors loan account	23,286	19,717
Other debtors	<u>189,806</u>	<u>94,261</u>
	<u>1,785,713</u>	<u>1,716,283</u>

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	462	450
Bank overdrafts	<u>(968,934)</u>	<u>(1,223,526)</u>
	<u>(968,472)</u>	<u>(1,223,076)</u>

18. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	1,147,071	1,311,315
Trade creditors	2,002,433	1,888,037
Amounts owed to undertakings in which the company has a participating interest	—	(24,799)
Accruals and deferred income	201,141	107,157
Corporation tax	11,417	23,589
Social security and other taxes	85,283	76,013
Obligations under finance leases and hire purchase contracts	<u>55,995</u>	<u>72,592</u>
	<u>3,503,340</u>	<u>3,453,904</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

18. Creditors: amounts falling due within one year *(continued)*

A floating charge has been granted to HSBC over the whole assets of the company.

Bank overdrafts and loans are secured over the company's land and buildings in Loanhead in the amount of £1,147,071 (2015: £1,311,315)

Hire purchase liabilities are secured over the assets financed in the amount of £55,995 (2015: £72,592).

19. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	1,254,140	892,498
Obligations under finance leases and hire purchase contracts	133,723	117,293
Other creditors	75,000	125,000
	<u>1,462,863</u>	<u>1,134,791</u>

Bank loans are secured over the company's land and buildings in Loanhead in the amount of £1,254,140 (2015: £892,498)

Hire purchase liabilities are secured over the assets financed in the amount of £133,723 (2015: £117,293).

Included within creditors: amounts falling due after more than one year is an amount of £541,593 (2015: £508,823) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The company has 2 term loans with HSBC: repayable over 10 years at 2.5% interest over base rate and 7 years at 2.10% interest over base rate.

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016 £	2015 £
Not later than 1 year	64,763	80,444
Later than 1 year and not later than 5 years	154,172	136,450
	<u>218,935</u>	<u>216,894</u>
Less: future finance charges	(29,218)	(27,009)
Present value of minimum lease payments	<u>189,717</u>	<u>189,885</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

21. Provisions

	Deferred tax (note 22) £
At 1st June 2015	183,393
Additions	79,574
At 31st May 2016	<u>262,967</u>

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 21)	<u>262,967</u>	<u>183,393</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	212,325	132,751
Fair value adjustment of investment property	<u>50,642</u>	<u>50,642</u>
	<u>262,967</u>	<u>183,393</u>

It is not possible to reliably measure the net reversal of deferred tax liabilities expected to occur during the next reporting period. There is no time limit on the utilisation of the deferred tax timing differences.

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £23,769 (2015: £17,519).

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets that are equity instruments measured at cost less impairment		
Financial assets that are equity instruments measured at cost less impairment	<u>1,150</u>	<u>1,150</u>

25. Called up share capital

Issued, called up and fully paid

	2016		2015
	No.	£	No.
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
			£
			<u>20,000</u>

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31st May 2016

25. Called up share capital *(continued)*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets

26. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - This reserve previously recorded the revaluation of fixed assets. On transition to FRS102 this reserve was reallocated to profit and loss reserves.

Profit and loss account - This reserve records retained earnings and accumulated losses. An amount of £215,894 is recorded in P&L reserves in respect of historical property revaluations net of deferred tax. This balance is not distributable to members.

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	324,317	225,486
Later than 1 year and not later than 5 years	849,745	550,603
Later than 5 years	125,125	6,225
	<u>1,299,187</u>	<u>782,314</u>

28. Directors' advances, credits and guarantees

At 1st June 2015, the company was due £21,851 from Mr Lee Brown, via his current account. During the year the company made advances of £18,477 to Mr Lee Brown and he made repayments of £14,428. No interest was charged and there are no fixed repayment terms. As a result of these transactions, at 31st May 2016 Mr Lee Brown owed the company £25,900 via his current account.

JB Foods (Scotland) Ltd.**Notes to the Abbreviated Financial Statements** *(continued)***Year ended 31st May 2016****29. Related party transactions**

The company was under the control of Mr T J Brown, a director, and members of his close family throughout the current and previous year.

During the year the company paid dividends to the directors who are also shareholders in the amount of £154,054 (2015 - £80,000).

During the year the company had to write off debts owed from the Newton Bay Fish Company Limited, a company in which a director, Mr L Brown, is the beneficial owner. Specifically, £54,935 of historical trade and intercompany debt was written off to the P&L account.

At 1st June 2015, the company was due £2,812 to Mr TJ and Mrs C Brown, via their current account. During the year further loans were made to the company in the amount of £144,760 and the company repaid £144,328 to Mr TJ and Mrs C Brown. No interest was charged and there are no fixed repayment terms. As a result of these transactions, at 31st May 2016 the company owed Mr TJ and Mrs C Brown £2,614 via their current account.

During the year a director, Mr TJ Brown, purchased a vehicle from the company for the amount of £25,328.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £419,085 (2015: £380,811).

30. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st June 2014.

JB Foods (Scotland) Ltd.

Notes to the Abbreviated Financial Statements (continued)

Year ended 31st May 2016

30. Transition to FRS 102 (continued)

Reconciliation of equity

	1st June 2014			31st May 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	3,279,088	–	3,279,088	3,614,196	–	3,614,196
Current assets	2,528,899	–	2,528,899	3,049,427	–	3,049,427
Creditors: amounts falling due within one year	(2,855,328)	(20,817)	(2,876,145)	(3,429,387)	(24,517)	(3,453,904)
Net current liabilities	(326,429)	(20,817)	(347,246)	(379,960)	(24,517)	(404,477)
Total assets less current liabilities	2,952,659	(20,817)	2,931,842	3,234,236	(24,517)	3,209,719
Creditors: amounts falling due after more than one year	(1,015,591)	–	(1,015,591)	(1,134,791)	–	(1,134,791)
Provisions	(96,579)	(50,642)	(147,221)	(132,751)	(50,642)	(183,393)
Net assets	1,840,489	(71,459)	1,769,030	1,966,694	(75,159)	1,891,535
Capital and reserves	1,840,489	(71,459)	1,769,030	1,966,694	(75,159)	1,891,535

Reconciliation of profit or loss for the year

	Year ended 31st May 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	18,911,521	–	18,911,521
Cost of sales and other operating income	(14,195,684)	–	(14,195,684)
Gross profit	4,715,837	–	4,715,837
Administrative expenses	(4,393,568)	(4,626)	(4,398,194)
Operating profit	322,269	(4,626)	317,643
Interest payable and similar charges	(53,105)	–	(53,105)
Tax on profit on ordinary activities	(62,958)	925	(62,033)
Profit for the financial year	206,206	(3,701)	202,505

JB Foods (Scotland) Ltd.**Notes to the Abbreviated Financial Statements *(continued)*****Year ended 31st May 2016****30. Transition to FRS 102 *(continued)***

On transition to FRS102 the company has decided to take advantage of the following exemptions:

35.10)a) not to apply section 19 Business Combinations and Goodwill to business combinations that were effected before the date of the transition to FRS102,

35.10)p) not to review leases entered into before the transition date for any lease incentives.

35.10)f)ii) to adopt the previous carrying amount of investments in subsidiaries as the new deemed cost.

Previously deferred tax on revaluing property to its market value was not recognised in the financial statements as there was no binding agreement to sell the asset. On transition to FRS102 the deferred tax has been recognised as a provision in the amount of £50,642 at 1st June 2014.

The balance on the revaluation reserve has been reallocated to the profit and loss reserve as all future revaluation gains and losses on the company's properties will be recorded in this reserve.

At 1st June 2014 the company has also recorded a holiday pay accrual, previously such accruals were not account for. As a result for the year ended 31st May 2014 there has been reduction in the reported profits after tax in the amount of £20,816.

In the comparative year ended 31st May 2015 further holiday pay accruals were also required in the amount of £3,701 net of tax relief.