

**KENNEDYS FINE CHOCOLATES
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2017

PAGES FOR FILING WITH REGISTRAR



KENNEDYS FINE CHOCOLATES LIMITED

COMPANY INFORMATION

Directors	Mr D N Kennedy Miss A M Kennedy
Secretary	Miss A M Kennedy
Company number	SC129566
Registered office	Bordeaux House 31 Kinnoull Street PERTH PH1 5EN
Accountants	Johnston Carmichael LLP 66 Tay Street PERTH PH2 8RA
Business address	The Old School Orton PENRITH Cumbria CA10 3RU

KENNEDYS FINE CHOCOLATES LIMITED

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KENNEDYS FINE CHOCOLATES LIMITED

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		383,678		514,636
Current assets					
Stocks		44,562		40,404	
Debtors	4	5,406		4,996	
Cash at bank and in hand		58,346		2,938	
		108,314		48,338	
Creditors: amounts falling due within one year	5	(54,194)		(67,633)	
Net current assets/(liabilities)			54,120		(19,295)
Total assets less current liabilities			437,798		495,341
Creditors: amounts falling due after more than one year	6		(109,156)		(205,500)
Provisions for liabilities			(13,389)		(10,186)
Net assets			315,253		279,655
Capital and reserves					
Called up share capital	7		7,650		7,650
Profit and loss reserves			307,603		272,005
Total equity			315,253		279,655

KENNEDYS FINE CHOCOLATES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

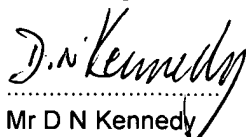
For the financial year ended 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16/2/18 and are signed on its behalf by:



Mr D N Kennedy
Director

Company Registration No. SC129566

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Kennedys Fine Chocolates Limited is a private company limited by shares incorporated in Scotland. The registered office is Bordeaux House, 31 Kinnoull Street, PERTH, PH1 5EN. The business address is The Old School, Orton, PENRITH, Cumbria, CA10 3RU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of Kennedys Fine Chocolates Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for the manufacture and retail of chocolates net of VAT and trade discounts. Revenue is recognised when the goods are despatched.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property and improvements	2.5% reducing balance
Equipment	15% reducing balance
Shopfitting and counters	10% - 15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 31 (2016 - 29).

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2016	604,771	235,617	840,388
Additions	-	32,488	32,488
Disposals	(163,869)	(5,674)	(169,543)
At 31 May 2017	440,902	262,431	703,333
Depreciation and impairment			
At 1 June 2016	144,543	181,209	325,752
Depreciation charged in the year	7,939	9,778	17,717
Eliminated in respect of disposals	(21,186)	(2,628)	(23,814)
At 31 May 2017	131,296	188,359	319,655
Carrying amount			
At 31 May 2017	309,606	74,072	383,678
At 31 May 2016	460,228	54,408	514,636

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	4,603	3,765
Other debtors	803	1,231
	5,406	4,996

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	31,411	38,808
Trade creditors	7,354	6,576
Corporation tax	2,015	15,434
Other taxation and social security	7,543	4,666
Other creditors	5,871	2,149
	54,194	67,633

Bank borrowings are secured by a legal charge over the property and a floating charge over the assets of the company.

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	90,098	121,509
Other creditors	19,058	83,991
	<u>109,156</u>	<u>205,500</u>

Bank borrowings are secured by a legal charge over the property and a floating charge over the assets of the company.

7 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 7,650 Ordinary shares of £1 each	<u>7,650</u>	<u>7,650</u>

8 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Key management personnel	<u>19,058</u>	<u>83,991</u>