

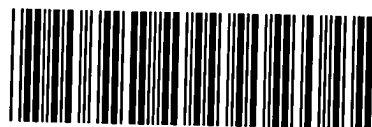
**KENNEDYS FINE CHOCOLATES
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2018

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KENNEDYS FINE CHOCOLATES LIMITED

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KENNEDYS FINE CHOCOLATES LIMITED

BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		403,689		383,678
Current assets					
Stocks		37,883		44,562	
Debtors	4	4,147		5,406	
Cash at bank and in hand		25,393		58,346	
		<u>67,423</u>		<u>108,314</u>	
Creditors: amounts falling due within one year	5	<u>(59,136)</u>		<u>(54,194)</u>	
Net current assets			8,287		54,120
Total assets less current liabilities			411,976		437,798
Creditors: amounts falling due after more than one year	6		(66,342)		(109,156)
Provisions for liabilities			<u>(15,391)</u>		<u>(13,389)</u>
Net assets			<u>330,243</u>		<u>315,253</u>
Capital and reserves					
Called up share capital	7		7,650		7,650
Profit and loss reserves			<u>322,593</u>		<u>307,603</u>
Total equity			<u>330,243</u>		<u>315,253</u>

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

KENNEDYS FINE CHOCOLATES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

For the financial year ended 31 May 2018 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 Companies Act 2006 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 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 2018

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.

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.

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).

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.

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

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 at bank and in hand

Cash and cash equivalents are basic financial assets and include cash and deposits held at call with banks.

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, cash 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.

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.

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

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 35 (2017 - 31).

KENNEDYS FINE CHOCOLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2017	440,902	262,432	703,334
Additions	26,971	16,207	43,178
Disposals	-	(10,582)	(10,582)
At 31 May 2018	467,873	268,057	735,930
Depreciation and impairment			
At 1 June 2017	131,296	188,359	319,655
Depreciation charged in the year	7,876	12,025	19,901
Eliminated in respect of disposals	-	(7,315)	(7,315)
At 31 May 2018	139,172	193,069	332,241
Carrying amount			
At 31 May 2018	328,701	74,988	403,689
At 31 May 2017	309,606	74,072	383,678

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	3,126	4,603
Other debtors	1,021	803
	4,147	5,406

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	33,527	31,411
Trade creditors	10,833	7,354
Corporation tax	4,301	2,015
Other taxation and social security	4,302	7,543
Other creditors	6,173	5,871
	59,136	54,194

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 2018

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	56,610	90,098
Other creditors	9,732	19,058
	<u>66,342</u>	<u>109,156</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

	2018 £	2017 £
Ordinary share capital Issued and fully paid 7,650 Ordinary shares of £1 each	7,650	7,650
	<u>7,650</u>	<u>7,650</u>

8 Related party transactions

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts owed to related parties		
Key management personnel	9,732	19,058
	<u>9,732</u>	<u>19,058</u>

The directors operate a loan account with the company. The loan has no fixed terms of repayment, is unsecured and repayable after 12 months.