

Company Registration No. SC428528 (Scotland)

**THE BIRKS CINEMA LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**  
**PAGES FOR FILING WITH REGISTRAR**

WEDNESDAY



\*S6BZMMG0\*

SCT

02/08/2017

#197

COMPANIES HOUSE

# THE BIRKS CINEMA LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr J Freeman Mr D Swan Ms P Walker-Booth Mr K J Ramage Mr W MacGillivray
<b>Secretary</b>	J & H Mitchell LLP
<b>Company number</b>	SC428528
<b>Registered office</b>	51 Atholl Road PITLOCHRY PH16 5BU
<b>Accountants</b>	Johnston Carmichael LLP 66 Tay Street PERTH PH2 8RA
<b>Business address</b>	1 Dunkeld Street ABERFELDY PH15 2DA

---

# **THE BIRKS CINEMA LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Balance sheet	1
Notes to the financial statements	2 - 5

---

# THE BIRKS CINEMA LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Stocks		4,096		3,930	
Debtors	3	11,600		7,572	
Cash at bank and in hand		19,361		19,573	
		<u>35,057</u>		<u>31,075</u>	
<b>Creditors: amounts falling due within one year</b>	4	(47,145)		(55,765)	
<b>Net current liabilities</b>			(12,088)		(24,690)
<b>Creditors: amounts falling due after more than one year</b>	5		(313,924)		(296,195)
<b>Net liabilities</b>			<u>(326,012)</u>		<u>(320,885)</u>
<b>Capital and reserves</b>					
Called up share capital	6		2		2
Profit and loss reserves			(326,014)		(320,887)
<b>Total equity</b>			<u>(326,012)</u>		<u>(320,885)</u>

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

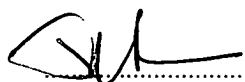
For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

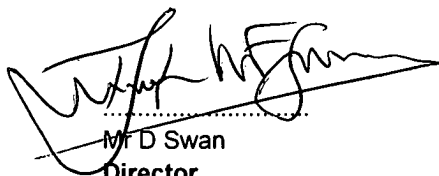
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 27 JULY 2017 and are signed on its behalf by:



Mr J Freeman  
Director



Mr D Swan  
Director

Company Registration No. SC428528

# THE BIRKS CINEMA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2017**

---

### **1 Accounting policies**

#### **Company information**

The Birks Cinema Limited is a private company limited by shares incorporated in Scotland. The registered office is 51 Atholl Road, PITLOCHRY, PH16 5BU. The business address is 1 Dunkeld Street, ABERFELDY, PH15 2DA.

#### **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 March 2017 are the first financial statements of The Birks Cinema 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 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis as the directors believe that it is appropriate to do so. In coming to this conclusion the directors confirm that the ultimate holding company will continue to support the company for at least twelve months from the date of approval of these financial statements. The directors are currently executing a plan which should lead to profitability within 12 months.

As the ultimate parent company, The Birks Cinema Trust (TBCT) is a charity, all revenue support funds are agreed between TBCT and funders, and are provided directly to TBCT, before being transferred as required to the company. All revenue support funds transferred by TBCT to the company are recorded as a loan repayable by the company to its parent.

#### **1.3 Turnover**

Turnover represents amounts receivable for the operation of the cinema and cafe-bar net of VAT and trade discounts.

Revenue is recognised on a cash basis or in accordance with the terms of the invoice to the customer.

#### **1.4 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.

#### **1.5 Cash and cash equivalents**

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

# THE BIRKS CINEMA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

#### 1.6 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities 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 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.7 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.

# THE BIRKS CINEMA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.8 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.

#### 1.9 Leases

In general, rentals payable under operating leases are charged against income on a straight line basis over the lease term. Exceptionally, the TBCT 5 year lease for the Birks Cinema requires the calculation of a rental charge based on the trading turnover of the company.

#### 1.10 Customer reward scheme

As is common practice within the cinema industry, the company offers an incentive to customers whereby each customer, after purchasing seven admissions, is offered a free admission to a film. At the year end, the company provides for the cost of the aggregate free tickets due to customers.

### 2 Employees

The average monthly number of persons employed by the company during the year was 14 (2016 - 16).

### 3 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,920	(73)
Other debtors	7,680	7,645
	<u>11,600</u>	<u>7,572</u>

### 4 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	19,374	29,343
Other taxation and social security	8,696	7,168
Other creditors	19,075	19,254
	<u>47,145</u>	<u>55,765</u>

### 5 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Other borrowings	9	<u>313,924</u>	<u>296,195</u>

# THE BIRKS CINEMA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 6 Called up share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 7 Operating lease commitments

#### Lessee

At the year end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	22,268	20,162
	<u>22,268</u>	<u>20,162</u>

### 8 Parent company

The ultimate parent company is The Birks Cinema Trust (TBCT), a charitable company registered in Scotland.

### 9 Related party transactions

#### Transactions with related parties

During the year, TBCT provided funding to the company of £17,729 (2016 - £95,117). TBCT also charged rent to the company of £20,054 (2016 - £18,495) for the use of the Birks Cinema.

As the ultimate parent company, TBCT, is a charity, all revenue support funds are agreed between TBCT and funders, and are provided directly to TBCT, before being transferred as required to the company. All revenue support funds transferred by TBCT to the company are recorded as a loan repayable by the company to its parent.

At the balance sheet date £313,924 (2016 - £296,195) was due to TBCT, and is included within creditors due after more than one year. The loan is unsecured, interest free and has no fixed terms of repayment.

The Board of TBCT has agreed to give financial support to the company for twelve months from the date of approval of these accounts.