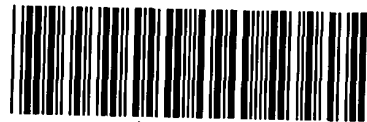


Registration number: 00346842

**JAKEMANS (CONFECTIONERS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**

MONDAY



\*A74Z9WPL\*

A07

30/04/2018

#124

COMPANIES HOUSE

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **CONTENTS**

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 19

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	J M Groves
	P Whatley
	D Cole
	J Groves
	M Horan
	A Kelly
	P Henly
	H Lynn
<b>Registered office</b>	Sisson Road Gloucester GL2 0GR
<b>Solicitors</b>	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD
<b>Bankers</b>	Svenska Handelsbanken AB 1145 Regent Court The Square Gloucester Business Park Gloucester GL3 4AD
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## JAKEMANS (CONFECTIONERS) LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017

The directors present their strategic report for the year ended 31 July 2017.

#### Principal activity

The principal activity of the company is that of the manufacture and retail of confectionary.

#### Fair review of the business

The directors consider that the business has performed adequately during the year given the market conditions, and consider the financial resources available to the company at the year end to be sufficient.

The results for the year, which are set out in the profit and loss account, show pre-tax profit (before the exceptional item as described in note 5) for the year of £2,825,707 (2016 - £3,398,963) and net assets of £5,203,288 (2016 - £5,202,531).

#### Key performance indicators

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or the position of the business.

#### Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the general economic climate, and competition from other confectionary manufacturers.

#### Financial instruments

Financial risk management is an integral part of the way the company is managed. The overall aim of the company's financial risk policies is to minimise potential adverse effects on financial performance and net assets.

The company is exposed to the usual credit and cashflow risk associated with selling on credit and manages this through credit control procedures and maintains credit insurance cover on major customers.

Short term bank deposits are only placed with reputable blue chip banks.

The company's policy on liquidity risk is to ensure that sufficient funds for ongoing operations are available.

#### Going concern and liquidity risk

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient financial resources available and is currently trading profitably and generating cash. The directors have prepared forecast for the next 12 months that indicate that this trend will continue. The directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### Future developments

The external commercial environment is expected to remain challenging during 2018, and the directors are ready to react to any changes in trading conditions in order to maintain and improve their performance in the future.

Approved by the Board on 24/04/18 and signed on its behalf by:



J M Groves  
Director

**JAKEMANS (CONFECTIONERS) LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2017**

The directors present their report and the financial statements for the year ended 31 July 2017.

**Directors of the company**

The directors who held office during the year were as follows:

J M Groves

P Whatley

D Cole

J Groves

M Horan

A Kelly

P Henly (appointed 1 August 2016)

H Lynn (appointed 1 August 2016)

The following director was appointed after the year end:

T E Howard (appointed 1 November 2017)


**Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 24/04/18 and signed on its behalf by:



J M Groves  
Director

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors Report and Strategic 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **Opinion**

We have audited the financial statements of Jakemans (Confectioners) Limited (the 'company') for the year ended 31 July 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## JAKEMANS (CONFECTIONERS) LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

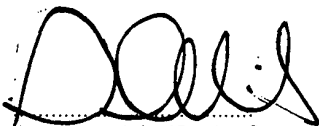
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Jon Cartwright (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date:

30 April 2018



# **JAKEMANS (CONFECTIONERS) LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Turnover</b>	3	11,772,346	11,135,461
<b>Cost of sales</b>		<u>(4,371,121)</u>	<u>(4,088,004)</u>
<b>Gross profit</b>		7,401,225	7,047,457
<b>Distribution costs</b>		(228,467)	(221,173)
<b>Administrative expenses - normal</b>		(4,275,721)	(3,353,852)
<b>Administration expenses - exceptional item</b>	5	-	-
<b>Other operating income</b>		<u>-</u>	<u>169</u>
<b>Operating profit</b>	4	2,897,037	3,472,601
<b>Interest payable and similar charges</b>	6	<u>(71,330)</u>	<u>(73,638)</u>
<b>Profit before tax</b>		2,825,707	3,398,963
<b>Taxation</b>	8	<u>(560,950)</u>	<u>(632,771)</u>
<b>Profit for the financial year</b>		<u><u>2,264,757</u></u>	<u><u>2,766,192</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 10 to 19 form an integral part of these financial statements.

# JAKEMANS (CONFECTIONERS) LIMITED

(REGISTRATION NUMBER: 00346842)

## BALANCE SHEET AS AT 31 JULY 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	9	<u>4,139,452</u>	<u>4,644,968</u>
<b>Current assets</b>			
Stocks	10	1,165,206	1,173,030
Debtors	11	3,254,689	2,697,988
Cash at bank and in hand		<u>1,944,217</u>	<u>1,286,060</u>
		6,364,112	5,157,078
Creditors: amounts falling due within one year	12	<u>(4,515,212)</u>	<u>(3,736,114)</u>
<b>Net current assets</b>		<u>1,848,900</u>	<u>1,420,964</u>
<b>Total assets less current liabilities</b>		5,988,352	6,065,932
Creditors: amounts falling due after more than one year	12	(503,518)	(569,938)
Provisions for liabilities	8	<u>(281,546)</u>	<u>(293,463)</u>
<b>Net assets</b>		<u>5,203,288</u>	<u>5,202,531</u>
<b>Capital and reserves</b>			
Called up share capital	14	2,500	2,500
Retained earnings		<u>5,200,788</u>	<u>5,200,031</u>
<b>Total equity</b>		<u>5,203,288</u>	<u>5,202,531</u>

Approved and authorised by the Board on 24/04/18 and signed on its behalf by:

  
J M Groves  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

**JAKEMANS (CONFECTIONERS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 August 2016	2,500	5,200,031	5,202,531
Profit for the year	-	2,264,757	2,264,757
Dividends	-	(2,264,000)	(2,264,000)
At 31 July 2017	<u>2,500</u>	<u>5,200,788</u>	<u>5,203,288</u>

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 August 2015	2,500	5,199,839	5,202,339
Profit for the year	-	2,766,192	2,766,192
Dividends	-	(2,766,000)	(2,766,000)
At 31 July 2016	<u>2,500</u>	<u>5,200,031</u>	<u>5,202,531</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017**

#### **1 General information**

The company is a private limited company incorporated and domiciled in England and Wales.

The address of its registered office is:  
Sisson Road  
Gloucester  
GL2 OGR

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of G.R. Lane Holdings Limited.

The financial statements of G.R. Lane Holdings Limited may be obtained from the company's registered office.

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable 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 in preparing its financial statements.

##### **Judgements and estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when: a) the amount of revenue can be reliably measured; b) it is probable that future economic benefits will flow to the entity; and c) specific criteria have been met for each of the company's activities.

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017**

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The corporation tax expense for the period comprises current corporation tax and deferred tax. Corporation tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land and buildings	2% straight line basis
Land and buildings leasehold	10% straight line basis
Plant and machinery	6.67% - 10% straight line basis
Fixtures, fittings and equipment	10% - 20% straight line basis
Motor vehicles	25% straight line basis

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

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using a standard cost method.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## **JAKEMANS (CONFECTIONERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017**

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### **Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## JAKEMANS (CONFECTIONERS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Revenue

The analysis of the company's turnover for the year by market is as follows:

	2017 £	2016 £
UK	11,061,971	10,199,340
Europe	138,639	139,846
Rest of world	571,736	796,275
	<u>11,772,346</u>	<u>11,135,461</u>

The company's revenue is derived entirely from the sale of goods.

### 4 Operating profit

Arrived at after charging:

	2017 £	2016 £
Foreign exchange losses/(gains)	190,491	(149,222)
Operating lease expense - property	100,500	100,500
Operating lease expense - other	16,058	14,510
Depreciation expense	584,217	537,514
Auditor's remuneration - Audit of the financial statements	<u>8,200</u>	<u>8,000</u>

### 5 Exceptional items

The exceptional item in the year relates to a provision of £900,000 against the balance owed by a fellow group company, Jakemans Incorporated.

### 6 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank borrowings	9,146	-
Interest on obligations under finance leases and hire purchase contracts	45,301	39,817
Interest expense on other finance liabilities	<u>16,883</u>	<u>33,821</u>
	<u>71,330</u>	<u>73,638</u>



# JAKEMANS (CONFECTIONERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	1,223,163	1,047,625
Social security costs	102,935	84,211
Pension costs, defined contribution scheme	20,427	19,541
	<u>1,346,525</u>	<u>1,151,377</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017	2016
	No.	No.
Administration and support	16	14
Production	40	43
	<u>56</u>	<u>57</u>

# JAKEMANS (CONFECTIONERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 8 Corporation tax

Tax charged in the income statement

	2017 £	2016 £
<b>Current taxation</b>		
UK corporation tax	573,058	640,011
UK corporation tax adjustment to prior periods	(191)	2,062
	<u>572,867</u>	<u>642,073</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(11,917)	(9,302)
Tax expense in the profit and loss account	<u>560,950</u>	<u>632,771</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.67% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>2,825,707</u>	<u>3,398,963</u>
Corporation tax at standard rate	555,817	679,793
Effect of expense not deductible in determining taxable profit (tax loss)	642	1,020
Increase in UK tax from adjustment for prior periods	(191)	2,062
Changes in tax rates	<u>4,682</u>	<u>(50,104)</u>
Total tax charge	<u>560,950</u>	<u>632,771</u>

### Analysis of deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2017</b>	
Differences between accumulated depreciation and amortisation and capital allowances	<u>281,546</u>
<b>2016</b>	
Differences between accumulated depreciation and amortisation and capital allowances	<u>293,463</u>

# JAKEMANS (CONFECTIONERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 9 Tangible assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 August 2016	492,282	101,989	6,294,688	6,888,959
Additions	-	-	78,701	78,701
At 31 July 2017	492,282	101,989	6,373,389	6,967,660
<b>Depreciation</b>				
At 1 August 2016	-	60,080	2,183,911	2,243,991
Charge for the year	-	5,434	578,783	584,217
At 31 July 2017	-	65,514	2,762,694	2,828,208
<b>Carrying amount</b>				
At 31 July 2017	492,282	36,475	3,610,695	4,139,452
At 31 July 2016	492,282	41,909	4,110,777	4,644,968

#### Assets held under finance leases and hire purchase contracts

Included within the net book value of tangible fixed assets is £624,905 (2016 - £1,534,116) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £98,732 (2016 - £211,638).

### 10 Stocks

	2017 £	2016 £
Raw materials	245,224	292,718
Finished goods	919,982	880,312
	1,165,206	1,173,030

### 11 Debtors

	2017 £	2016 £
Trade debtors	1,028,743	1,160,861
Amounts owed by group undertakings	2,120,735	1,398,856
Other debtors	300	35,139
Prepayments and accrued income	104,911	103,132
	3,254,689	2,697,988

# JAKEMANS (CONFECTIONERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 12 Creditors

	2017 £	2016 £
<b>Due within one year</b>		
Loans and borrowings	232,649	486,917
Trade creditors	734,738	332,022
Amounts due to group undertakings	2,809,155	2,087,520
Social security and other taxes	213,530	213,841
Outstanding defined contribution pension costs	3,437	3,285
Other creditors	903	25
Accrued expenses	197,892	178,220
Corporation tax liability	322,908	434,284
	<u>4,515,212</u>	<u>3,736,114</u>
<b>Due after one year</b>		
Loans and borrowings	<u>503,518</u>	<u>569,938</u>

### 13 Loans and borrowings

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank borrowings	38,001	172,794
Finance lease liabilities	194,648	314,123
	<u>232,649</u>	<u>486,917</u>
<b>Non-current loans and borrowings</b>		
Bank borrowings	323,000	-
Finance lease liabilities	180,518	569,938
	<u>503,518</u>	<u>569,938</u>

#### Bank borrowings

The bank loan is denominated in Sterling with an interest rate of 2.00%, and the final instalment is due on 11 January 2027. The carrying amount at year end is £361,000 (2016 - £Nil).

The bank loan is denominated in Sterling with an interest rate of 6.19%, and the final instalment is due on 5 July 2017. The carrying amount at year end is £Nil (2016 - £172,794).

The bank loan is secured by a debenture over the assets and undertakings of Jakemans (Confectioners) Limited and by a charge over commercial property. There is also a joint and several guarantee from G.R. Lane Holding Limited and G.R. Lane Health Products Limited.

# JAKEMANS (CONFECTIONERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 14 Share capital

#### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

### 15 Dividends

	2017	2016
	£	£
Dividends paid	<u>2,264,000</u>	<u>2,766,000</u>

### 16 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £20,427 (2016 - £19,541). Contributions totalling £3,437 (2016 - £3,285) were payable to the scheme at the end of the year and are included in creditors.

### 17 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	121,085	99,527
Later than one year and not later than five years	314,754	334,766
Later than five years	<u>189,834</u>	<u>240,534</u>
	<u>625,673</u>	<u>674,827</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £116,558 (2016 - £115,010).

### 18 Contingent liabilities

At 31 July 2017, there was a bank unlimited joint and several guarantee between the company, G.R. Lane Holdings Limited and G.R. Lane Health Products Limited. The contingent liability arising as a result of this arrangement amounted to £12,123,444 (2016 - £12,312,836).

### 19 Parent and ultimate parent undertaking

The company is controlled by G. R. Lane Holdings Limited, the ultimate parent undertaking.

Jakemans (Confectioners) Limited is a wholly owned subsidiary of G. R. Lane Health Products Limited.

Both G. R. Lane Health Products Limited and G. R. Lane Holdings Limited are registered in England and Wales.

G. R. Lane Holdings Limited prepares consolidated financial statements and copies can be obtained from the registered office.