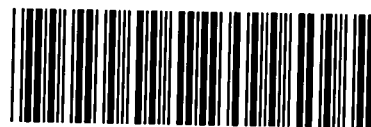


Registration number: 00346842

JAKEMANS (CONFECTIONERS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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JAKEMANS (CONFECTIONERS) LIMITED

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JAKEMANS (CONFECTIONERS) LIMITED

COMPANY INFORMATION

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

JAKEMANS (CONFECTIONERS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2018

The directors present their strategic report for the year ended 31 July 2018.

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 for the year of £3,596,280 (2017 - £2,825,707) and net assets of £5,212,373 (2017 - £5,203,288).

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

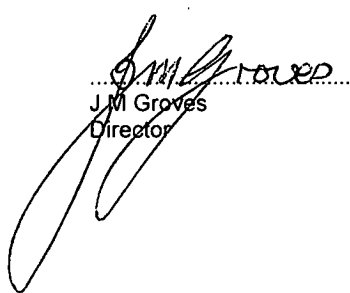
In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

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 2019, 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 12/2/19 and signed on its behalf by:


J.M. Groves
Director

JAKEMANS (CONFECTIONERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

Directors of the company

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

J M Groves

P Whatley

D Cole

J Groves

A Kelly

M Horan

P Henly

H Lynn

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 12/2/19 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 2018, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 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.

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.

JAKEMANS (CONFECTIONERS) LIMITED

INDEPENDENT AUDITOR'S REPORT

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. This description forms part of our auditor's report.

Use of this report

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.

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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 13 February 2014

JAKEMANS (CONFECTIONERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
Turnover	3	13,698,531	11,772,346
Cost of sales		<u>(5,467,115)</u>	<u>(4,371,121)</u>
Gross profit		8,231,416	7,401,225
Distribution costs		(256,023)	(228,467)
Administrative expenses		<u>(4,322,962)</u>	<u>(4,275,721)</u>
Operating profit	4	3,652,431	2,897,037
Interest payable and similar charges	5	<u>(56,151)</u>	<u>(71,330)</u>
Profit before tax		3,596,280	2,825,707
Taxation	7	<u>(687,195)</u>	<u>(560,950)</u>
Profit for the financial year		<u>2,909,085</u>	<u>2,264,757</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 20 form an integral part of these financial statements.

JAKEMANS (CONFECTIONERS) LIMITED

(REGISTRATION NUMBER: 00346842)

BALANCE SHEET

AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	8	<u>3,689,429</u>	<u>4,139,452</u>
Current assets			
Stocks	9	1,091,059	1,165,206
Debtors	10	1,230,479	3,254,689
Cash at bank and in hand		<u>2,841,595</u>	<u>1,944,217</u>
		5,163,133	6,364,112
Creditors: amounts falling due within one year	11	<u>(2,369,162)</u>	<u>(4,515,212)</u>
Net current assets		<u>2,793,971</u>	<u>1,848,900</u>
Total assets less current liabilities		6,483,400	5,988,352
Creditors: amounts falling due after more than one year	11	(1,024,330)	(503,518)
Provisions for liabilities	7	<u>(246,697)</u>	<u>(281,546)</u>
Net assets		<u>5,212,373</u>	<u>5,203,288</u>
Capital and reserves			
Called up share capital	13	2,500	2,500
Retained earnings		<u>5,209,873</u>	<u>5,200,788</u>
Total equity		<u>5,212,373</u>	<u>5,203,288</u>

Approved and authorised by the Board on 12/2/19 and signed on its behalf by:


J M Groves
Director

The notes on pages 10 to 20 form an integral part of these financial statements.

JAKEMANS (CONFECTIONERS) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2018

	Share capital £	Retained earnings £	Total £
At 1 August 2017	2,500	5,200,788	5,203,288
Profit for the year	-	2,909,085	2,909,085
Dividends	-	(2,900,000)	(2,900,000)
At 31 July 2018	<u>2,500</u>	<u>5,209,873</u>	<u>5,212,373</u>

	Share capital £	Retained earnings £	Total £
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>

The notes on pages 10 to 20 form an integral part of these financial statements.

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

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 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:

Asset class	Depreciation method and rate
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

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

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.

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 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.

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

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.

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.

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

3 Revenue

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

	2018 £	2017 £
UK	12,692,199	11,061,971
Europe	219,363	138,639
Rest of world	786,969	571,736
	<u>13,698,531</u>	<u>11,772,346</u>

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

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

4 Operating profit

Arrived at after charging:

	2018	2017
	£	£
Foreign exchange losses/(gains)	(41,147)	190,491
Operating lease expense - property	100,500	100,500
Operating lease expense - other	15,042	16,058
Depreciation expense	572,269	584,217
Auditor's remuneration - Audit of the financial statements	<u>8,350</u>	<u>8,200</u>

5 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank borrowings	14,687	9,146
Interest on obligations under finance leases and hire purchase contracts	37,478	45,301
Interest expense on other finance liabilities	<u>3,986</u>	<u>16,883</u>
	<u>56,151</u>	<u>71,330</u>

6 Staff costs

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

	2018	2017
	£	£
Wages and salaries	1,330,882	1,223,163
Social security costs	120,976	102,935
Pension costs, defined contribution scheme	<u>28,450</u>	<u>20,427</u>
	<u>1,480,308</u>	<u>1,346,525</u>

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

	2018	2017
	No.	No.
Administration and support	16	16
Production	<u>39</u>	<u>40</u>
	<u>55</u>	<u>56</u>

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

7 Corporation tax

Tax charged in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	722,039	573,058
UK corporation tax adjustment to prior periods	<u>5</u>	<u>(191)</u>
	722,044	572,867
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(34,849)</u>	<u>(11,917)</u>
Tax expense in the profit and loss account	<u>687,195</u>	<u>560,950</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.67%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>3,596,280</u>	<u>2,825,707</u>
Corporation tax at standard rate	683,293	555,817
Effect of expense not deductible in determining taxable profit (tax loss)	-	642
Increase in UK tax from adjustment for prior periods	-	(191)
Changes in tax rates	<u>3,902</u>	<u>4,682</u>
Total tax charge	<u>687,195</u>	<u>560,950</u>

Analysis of deferred tax

Deferred tax assets and liabilities

	Liability £
2018	
Differences between accumulated depreciation and amortisation and capital allowances	<u>246,697</u>
2017	
Differences between accumulated depreciation and amortisation and capital allowances	<u>281,546</u>

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

8 Tangible assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost				
At 1 August 2017	492,282	101,989	6,373,389	6,967,660
Additions	-	-	121,653	121,653
Disposals	-	-	(15,610)	(15,610)
At 31 July 2018	<u>492,282</u>	<u>101,989</u>	<u>6,479,432</u>	<u>7,073,703</u>
Depreciation				
At 1 August 2017	-	65,514	2,762,694	2,828,208
Charge for the year	-	5,296	566,973	572,269
Eliminated on disposal	-	-	(16,203)	(16,203)
At 31 July 2018	<u>-</u>	<u>70,810</u>	<u>3,313,464</u>	<u>3,384,274</u>
Carrying amount				
At 31 July 2018	<u>492,282</u>	<u>31,179</u>	<u>3,165,968</u>	<u>3,689,429</u>
At 31 July 2017	<u>492,282</u>	<u>36,475</u>	<u>3,610,695</u>	<u>4,139,452</u>

Assets held under finance leases and hire purchase contracts

Included within the net book value of tangible fixed assets is £540,543 (2017 - £624,905) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £84,362 (2017 - £98,732).

9 Stocks

	2018 £	2017 £
Raw materials	342,164	245,224
Finished goods	<u>748,895</u>	<u>919,982</u>
	<u>1,091,059</u>	<u>1,165,206</u>

10 Debtors

	2018 £	2017 £
Trade debtors	1,112,912	1,028,743
Amounts owed by group undertakings	-	2,120,735
Other debtors	200	300
Prepayments and accrued income	<u>117,367</u>	<u>104,911</u>
	<u>1,230,479</u>	<u>3,254,689</u>

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

11 Creditors

	2018 £	2017 £
Due within one year		
Loans and borrowings	254,317	232,649
Trade creditors	416,418	734,738
Amounts due to group undertakings	911,079	2,809,155
Social security and other taxes	171,686	213,530
Outstanding defined contribution pension costs	6,785	3,437
Other creditors	311	903
Accrued expenses	293,592	197,892
Corporation tax liability	314,974	322,908
	<u>2,369,162</u>	<u>4,515,212</u>
Due after one year		
Loans and borrowings	<u>1,024,330</u>	<u>503,518</u>

12 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	209,764	38,001
Finance lease liabilities	44,553	194,648
	<u>254,317</u>	<u>232,649</u>
Non-current loans and borrowings		
Bank borrowings	888,393	323,000
Finance lease liabilities	135,937	180,518
	<u>1,024,330</u>	<u>503,518</u>

Bank borrowings

The bank loans are 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 £1,098,157 (2017 - £361,000).

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 2018

13 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

14 Dividends

	2018	2017
	£	£
Dividends paid	<u>2,900,000</u>	<u>2,264,000</u>

15 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 £28,450 (2017 - £20,427).

Contributions totalling £6,785 (2017 - £3,437) were payable to the scheme at the end of the year and are included in creditors.

16 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	113,283	121,085
Later than one year and not later than five years	252,171	314,754
Later than five years	<u>139,134</u>	<u>189,834</u>
	<u>504,588</u>	<u>625,673</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £115,542 (2017 - £116,558).

17 Contingent liabilities

At 31 July 2018, 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 £12,142,608 (2017 - £12,123,444).

JAKEMANS (CONFECTIONERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

18 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.