

COMPANY REGISTRATION NUMBER: SC032976

**J. F. Finlay & Company Limited**

**Filleted Unaudited Financial Statements**

**For the year ended**

**31 March 2018**

# J. F. Finlay & Company Limited

## Statement of Financial Position

31 March 2018

|   | Note | 2018<br>£ | 2017<br>£ |
|---|------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |
| Tangible assets                                       | 6    | 49,507    | 28,022    |
| <b>Current assets</b>                                 |      |           |           |
| Stocks  |      | 81,134    | 68,510    |
| Debtors   | 7    | 202,349   | 208,019   |
| Cash at bank and in hand                              |      | 23,070    | 13,722    |
|   |      | 306,553   | 290,251   |
| <b>Creditors: amounts falling due within one year</b> | 8    | 354,162   | 309,216   |
| <b>Net current liabilities</b>                        |      | 47,609    | 18,965    |
| <b>Total assets less current liabilities</b>          |      | 1,898     | 9,057     |
| <b>Net assets</b>                                     |      | 1,898     | 9,057     |
| <b>Capital and reserves</b>                           |      |           |           |
| Called up share capital                               |      | 8,005     | 8,005     |
| Capital redemption reserve                            |      | 3,995     | 3,995     |
| Profit and loss account                               |      | ( 10,102) | ( 2,943)  |
| <b>Shareholder funds</b>                              |      | 1,898     | 9,057     |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **J. F. Finlay & Company Limited**

## **Statement of Financial Position** *(continued)*

**31 March 2018**

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These financial statements were approved by the board of directors and authorised for issue on 28 December 2018  
, and are signed on behalf of the board by:

Mr N Ewing

Mrs A Ewing

Director

Director

Company registration number: SC032976

# **J. F. Finlay & Company Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2018**

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### **1. General information**

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 20 Pencil View, Largs, Ayrshire, KA30 8JZ.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The financial statements are prepared on the going concern basis and the directors are of the opinion that this is appropriate to the company's circumstances. The company meets its day to day working capital requirements through bank borrowings. The company has the support of its bankers and expects to be able to work within its overdraft facility.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Goodwill acquired on the purchase of the business of Allan and Allan is being amortised over a period of ten years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that suggest the carrying value is not recoverable.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                     |   |                      |
|---------------------|---|----------------------|
| Plant and Machinery | - | 25% reducing balance |
| Motor Vehicles      | - | 15% reducing balance |

## **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

## **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

## 4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2017: 10 ).

## 5. Intangible assets

|  | <b>Goodwill</b> |
|--|-----------------|
|  | <b>£</b>        |
| <b>Cost</b>                              |                 |
| <b>At 1 April 2017 and 31 March 2018</b> | <b>50,000</b>   |
|  | -----           |
| <b>Amortisation</b>                      |                 |
| <b>At 1 April 2017 and 31 March 2018</b> | <b>50,000</b>   |
|  | -----           |
| <b>Carrying amount</b>                   |                 |
| <b>At 31 March 2018</b>                  | <b>—</b>        |
|  | -----           |
| At 31 March 2017                         | <b>—</b>        |
|  | -----           |

The goodwill arose on the acquisition of the business of Allan & Allan in July 2001. Acquired goodwill has been amortised in equal amounts over a period of 10 years.

## 6. Tangible assets

|                         | Plant and<br>machinery | Motor vehicles | Total           |
|-------------------------|------------------------|----------------|-----------------|
|                         | £                      | £              | £               |
| <b>Cost</b>             |                        |                |                 |
| At 1 April 2017         | 28,212                 | 35,801         | <b>64,013</b>   |
| Additions               | –                      | 32,007         | <b>32,007</b>   |
| Disposals               | ( 275)                 | ( 5,300)       | <b>( 5,575)</b> |
|                         | -----                  | -----          | -----           |
| <b>At 31 March 2018</b> | <b>27,937</b>          | <b>62,508</b>  | <b>90,445</b>   |
|                         | -----                  | -----          | -----           |
| <b>Depreciation</b>     |                        |                |                 |
| At 1 April 2017         | 27,563                 | 8,428          | <b>35,991</b>   |
| Charge for the year     | 162                    | 6,348          | <b>6,510</b>    |
| Disposals               | ( 213)                 | ( 1,350)       | <b>( 1,563)</b> |
|                         | -----                  | -----          | -----           |
| <b>At 31 March 2018</b> | <b>27,512</b>          | <b>13,426</b>  | <b>40,938</b>   |
|                         | -----                  | -----          | -----           |
| <b>Carrying amount</b>  |                        |                |                 |
| <b>At 31 March 2018</b> | <b>425</b>             | <b>49,082</b>  | <b>49,507</b>   |
|                         | -----                  | -----          | -----           |
| At 31 March 2017        | 649                    | 27,373         | 28,022          |
|                         | -----                  | -----          | -----           |

### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

|                         | Motor<br>vehicles |
|-------------------------|-------------------|
|                         | £                 |
| <b>At 31 March 2018</b> | <b>10,514</b>     |
|                         | -----             |
| At 31 March 2017        | –                 |
|                         | -----             |

## 7. Debtors

|               | 2018           | 2017    |
|---------------|----------------|---------|
|               | £              | £       |
| Trade debtors | <b>178,908</b> | 162,983 |
| Other debtors | <b>23,441</b>  | 45,036  |
|               | -----          | -----   |
|               | <b>202,349</b> | 208,019 |
|               | -----          | -----   |

## 8. Creditors: amounts falling due within one year

|                                 | 2018           | 2017    |
|---------------------------------|----------------|---------|
|                                 | £              | £       |
| Bank loans and overdrafts       | <b>54,732</b>  | 126,291 |
| Trade creditors                 | <b>266,156</b> | 158,055 |
| Corporation tax                 | <b>7,180</b>   | –       |
| Social security and other taxes | <b>5,075</b>   | 2,962   |
| Other creditors                 | <b>21,019</b>  | 21,908  |
|                                 | -----          | -----   |
|                                 | <b>354,162</b> | 309,216 |
|                                 | -----          | -----   |

The bank borrowing is secured by a bond and floating charge on all the assets of the company and by a personal guarantee given by the director. Hire purchase creditors are secured only on the assets concerned.



**9. Creditors: amounts falling due after more than one year**

The bank borrowing is secured by a bond and floating charge on all the assets of the company and by a personal guarantee given by the director. Hire purchase creditors are secured only on the assets concerned.

**10. Directors' advances, credits and guarantees**

At 31st March 2018 the directors owed the company an amount of £18,845 (2017 - £42,189). During the year the directors introduced funds to the value of £50,887 and withdrew funds to the value of £27,543. There are no specific repayment terms. The maximum amount outstanding, due from the directors, during the year was £42,189 (2017 - £42,189).

**11. Related party transactions**

The Company was under the control of Mr N Ewing throughout the current and previous year. Mr Ewing is the managing director and majority shareholder. Dividends of £64,000 (2017 - £34,964) were paid to the directors during the year to 31st March 2018. There were no other transactions with related parties undertaken such as are required to be disclosed under FRS 102 (effective April 2015).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.