COMPANY REGISTRATION NUMBER: 05308821

The Little Kitchen Factory Limited

Unaudited Financial Statements

For the year ended

31 January 2017



Prepared by

Williams Knowles & Co.

Chartered Accountants

Worksop

The Little Kitchen Factory Limited

Financial Statements

Year ended 31 January 2017

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The Little Kitchen Factory Limited

Statement of Financial Position

31 January 2017

	Note	2017 £	£	2016 £
Fixed assets				
Tangible assets	7		77,575	79,600
Current assets				
Stocks	8	17,000		21,225
Debtors	9	48,778		19,439
Cash at bank and in hand		125,655		166,346
		191,433		207,010
Creditors: amounts falling due within one year	10	147,582		140,680
Net current assets			43,851	66,330
Total assets less current liabilities			121,426	145,930
Provisions				
Taxation including deferred tax			11,455	11,641
Net assets			109,971	134,289
Capital and reserves				
Called up share capital			1,111	1,111
Share premium account			13,089	13,089
Profit and loss account			95,771	120,089
Members funds			109,971	134,289

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 income and retained earnings has not been delivered.

The statement of financial position
continues on the following page.

The notes on pages 3 to 10 form part of these financial statements.

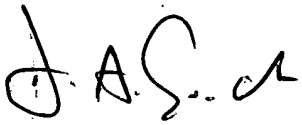
For the year ending 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 13 October 2017, and are signed on behalf of the board by:

Mr D A Goodman
Director



Mr C L Phillips
Director



Company registration number: 05308821

16/10/17.

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 139 Carlton Road, Worksop, Nottinghamshire, S81 7AD.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, '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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 February 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

3. Accounting policies *(continued)*

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

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

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	-	10% 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.

3. Accounting policies *(continued)*

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	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	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.

3. Accounting policies *(continued)*

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 11 (2016: 11).

5. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	**17,464**	12,837

6. Intangible assets

	Goodwill
	£
Cost	
At 1 Feb 2016 and 31 Jan 2017	**200,000**
Amortisation	
At 1 Feb 2016 and 31 Jan 2017	**200,000**
Carrying amount	
At 31 January 2017	**–**

7. Tangible assets

	Plant and machinery	Fixtures and fittings	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
At 1 February 2016	19,465	13,110	75,406	32,964	**140,945**
Additions	–	–	28,850	1,206	**30,056**
Disposals	–	–	(18,668)	–	**(18,668)**
At 31 January 2017	19,465	13,110	85,588	34,170	**152,333**
Depreciation					
At 1 February 2016	12,700	8,146	23,665	16,834	**61,345**
Charge for the year	1,020	746	13,110	2,588	**17,464**
Disposals	–	–	(4,051)	–	**(4,051)**
At 31 January 2017	13,720	8,892	32,724	19,422	**74,758**
Carrying amount					
At 31 January 2017	5,745	4,218	52,864	14,748	**77,575**
At 31 January 2016	6,765	4,964	51,741	16,130	79,600

8. Stocks

	2017	2016
	£	£
Stock	**17,000**	21,225

9. Debtors

	2017	2016
	£	£
Trade debtors	**44,459**	16,135
Other debtors	**4,319**	3,304
	48,778	19,439

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	**416**	3,714
Trade creditors	**35,689**	29,105
Corporation tax	**–**	35,340
Social security and other taxes	**55,616**	33,343
Other creditors	**55,861**	39,178
	147,582	140,680

11. Directors' advances, credits and guarantees

At the start of the year the two directors owed the company £464, credits to the directors' loan accounts amounted to £78,536 in the year and amounts drawn out by the directors amounted to £66,084. At the year end the company owed the directors' £11,988. The loan does not carry any interest. The loan is repayable on demand.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2015.

12. Transition to FRS 102 *(continued)*

Reconciliation of equity

	1 February 2015			31 January 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	51,579	–	51,579	79,600	–	79,600
Current assets	143,245	–	143,245	207,010	–	207,010
Creditors: amounts falling due within one year	(93,032)	(1,097)	(94,129)	(139,351)	(1,329)	(140,680)
Net current assets	50,213	(1,097)	49,116	67,659	(1,329)	66,330
Total assets less current liabilities	101,792	(1,097)	100,695	147,259	(1,329)	145,930
Provisions	(8,487)	219	(8,268)	(11,907)	266	(11,641)
Net assets	93,305	(878)	92,427	135,352	(1,063)	134,289
Capital and reserves	93,305	(878)	92,427	135,352	(1,063)	134,289

Reconciliation of profit or loss for the year

	Year ended 31 January 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£
Turnover	1,158,913	–	1,158,913
Cost of sales	(623,136)	–	(623,136)
Gross profit	535,777	–	535,777
Administrative expenses	(342,162)	(232)	(342,394)
Operating profit	193,615	(232)	193,383
Other interest receivable and similar income	184	–	184
Tax on profit	(38,760)	47	(38,713)
Profit for the financial year	155,039	(185)	154,854

12. Transition to FRS 102 *(continued)*

Holiday pay accrual - Prior to applying FRS 102 the company did not make provision for holiday pay which comprises holiday earned but not taken prior to the year-end. FRS 102 requires short term employee benefits to be charged to profit as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £1,097 on transition to FRS 102. The provision at 31 January 2016 increased to£1,329 so the effect on profit for the year ended 31 January 2016 is an additional expense of £232. Deferred tax is provided on the holiday pay accrual and amounts to £266 at 31 January 2016, £47 of this being credited in the year to 31 January 2016.