# Geoffrey (Tailor) Highland Crafts Limited

Abbreviated financial statements
31 March 1996

Registered number SC37721



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COMPANIES HOUSE 31/07/97

# Geoffrey (Tailor) Highland Crafts Limited

## Balance sheet

*at 31 March 1996*

| | Note | 1996 £ | 1996 £ | 1995 £ | 1995 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 2 | | **583,862** | | 599,241 |
| **Current assets** | | | | | |
| Stocks | | **719,959** | | 638,753 | |
| Debtors | | **45,750** | | 42,367 | |
| Cash | | **626** | | 3,264 | |
| | | **766,335** | | 684,384 | |
| **Creditors**: amounts falling due within one year | 3 | **(733,549)** | | (716,580) | |
| **Net current assets/(liabilities)** | | | **32,786** | | (32,196) |
| **Total assets less liabilities** | | | **616,648** | | 567,045 |
| **Creditors:** amounts falling due in more than one year | 4 | | **(88,504)** | | (120,000) |
| | | | **528,144** | | 447,045 |
| **Capital and reserves** | | | | | |
| Called up share capital | 5 | | **47,000** | | 47,000 |
| Profit and loss account | 6 | | **322,688** | | 74,215 |
| Revaluation reserve | | | **158,456** | | 325,830 |
| **Shareholders' funds - equity** | | | **528,144** | | 447,045 |

The directors have taken advantage of the exemption conferred by Section A, Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The abbreviated financial statements were approved by the board of directors 31 July 1997 and were signed on its behalf by:

**G Nicholsby**
*Director*

**L Nicholsby**
*Director*

# Notes

*(forming part of the financial statements)*

## 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of heritable property.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

| | |
|---|---|
| Heritable property | 1% straight line |
| Leasehold property | 10% straight line |
| Motor vehicles | 25% reducing balance |
| Motor boat | 20% reducing balance |
| Fittings and equipment | 20% reducing balance |

***Stocks***

Stocks have been valued at the lower of cost or net realisable value.

***Pension costs***

The company operates a defined pension scheme, contributions are charged against profits on the amounts payable for the year.

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

***Turnover***

Turnover represents the amounts (excluding VAT) derived from the provision of goods and services to customers during the year.

***Leases***

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors.

## Notes *(continued)*

1. **Accounting policies** *(continued)*

***Leases*** (continued)

Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.
All other lease are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

2. **Tangible fixed assets**

| | Heritable property £ | Leasehold property £ | Motor vehicles £ | Motor boat £ | Fittings & equipment £ | Total £ |
|---|---|---|---|---|---|---|
| *Cost or valuation* | | | | | | |
| At beginning of year | 520,001 | 35,695 | 149,487 | 42,547 | 93,365 | 841,095 |
| Additions | - | - | 8,650 | - | 8,476 | 17,126 |
| Disposals | - | - | (9,000) | - | - | (9,000) |
| At end of year | 520,001 | 35,695 | 149,137 | 42,547 | 101,841 | 849,221 |
| *Depreciation* | | | | | | |
| At beginning of year | 10,402 | 22,452 | 114,509 | 27,444 | 67,047 | 241,854 |
| Charge for year | 5,201 | 3,569 | 9,958 | 3,021 | 6,959 | 28,708 |
| On disposals | - | - | (5,203) | - | - | (5,203) |
| At end of year | 15,603 | 26,021 | 119,264 | 30,465 | 74,006 | 265,359 |
| *Net book value* | | | | | | |
| **31 March 1996** | **504,398** | **9,674** | **29,873** | **12,082** | **27,835** | **583,862** |
| 31 March 1995 | 509,599 | 13,243 | 34,978 | 15,103 | 26,318 | 599,241 |

***Heritable property***

The heritable property was revalued during 1993 by Robert Hall Partnership, Chartered Surveyors, using market values at 13 December 1993.

If stated under historical cost principle, the comparable amounts would be:

| | **1996** £ | 1995 £ |
|---|---|---|
| Cost | **205,933** | 205,933 |
| Aggregate depreciation | **(24,223)** | (22,164) |
| | **181,710** | 183,769 |

## Notes *(continued)*

2. **Tangible fixed assets** *(continued)*

***Motor vehicles***

The net book value of motor vehicles includes an amount of £18,756 (*1995 - £16,258*) in respect of assets held under hire purchase contracts.

3. **Creditors: amounts falling due within one year**

The bank overdraft of £301,475 (*1995 - £292,919*) is secured by a first charge standard security over the company's property at 53-61 High Street, Edinburgh and a floating charge.

The hire purchase creditor of £5,767 (*1995 - £3,399*) is secured over certain assets included in motor vehicles.

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

| | **1996** | 1995 |
|---|---|---|
| | **£** | £ |
| Hire purchase | **2,402** | - |
| Loan from directors | **86,102** | 120,000 |
| | **88,504** | 120,000 |

The loan from directors has no fixed term for repayment. Interest is payable monthly based on Bradford & Bingley Building Society mortgage rates.

5. **Called up share capital**

| | **1996** | | 1995 | |
|---|---|---|---|---|
| | **No** | **£** | No | £ |
| *Authorised* | | | | |
| Ordinary shares of £1 each | **50,000** | **50,000** | 50,000 | 50,000 |
| *Allotted, called up and fully paid* | | | | |
| Ordinary shares of £1 each | **47,000** | **47,000** | 47,000 | 47,000 |

6. **Reserves**

| | Profit and loss account |
|---|---|
| | £ |
| At beginning of year | 74,215 |
| Retained profit for the year | 81,099 |
| Transfer of reserve arising from depreciation on revalued assets | 3,142 |
| At end of year | **158,456** |

## Notes *(continued)*

7. **Transactions with directors**

Included in other creditors is an amount of £44,561 due in respect of payments made by Geoffrey (Tailor) Highland Crafts of USA Inc, a company incorporated in the USA and wholly owned by Mr and Mrs G Nicholsby.

Included in other debtors is £16,504 due in respect of payments made on behalf of G&L Enterprises Limited, a company of which Mr and Mrs G Nicholsby are directors.

During the year Mr and Mrs G Nicholsby received £5,101 (*1995 - £5,090*) in respect of interest on their loan to the company.

Rents amounting to £62,000 (*1995 - £62,000*) were payable to Mr and Mrs G Nicholsby in respect of premises owned by them and occupied by the company.

KPMG

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# Report of the auditors to the directors of Geoffrey (Tailor) Highland Crafts Limited Pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages 1 to 5 together with the financial statements of Geoffrey (Tailor) Highland Crafts Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 1 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

*Basis of opinion*

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

*Opinion*

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 March 1996 and the abbreviated financial statements on pages 1 to 5 have been properly prepared in accordance with that Schedule.

*Other information*

On 30 July 1997 we reported as auditors of Geoffrey (Tailor) Highland Crafts Limited to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996 and our report was as follows:

We have audited the financial statements on pages 3 to 11.

*Respective responsibilities of directors and auditors*

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## Report of the auditors to the directors of Geoffrey (Tailor) Highland Crafts Limited Pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985 *(continued)*

*Basis of opinion*

We conducted our audit work in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because there was no adequate system of control over cash transactions upon which we could rely for the purpose of our audit, and there were no other satisfactory audit procedures that we could adopt to confirm that all cash sales and directors' emoluments were properly recorded. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Qualified opinion arising from limitation in audit scope*

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning cash transactions and directors' emoluments, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to cash transactions and directors' emoluments:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

KPMG

**KPMG**
*Chartered Accountants*
*Registered Auditors*

30 July 1997