

Financial Statements

Michael James (Jewellers) Limited

For the Year Ended 31 March 2017



Registered number: SC087513



Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	75,314	111,164
		<u>75,314</u>	<u>111,164</u>
Current assets			
Stocks	5	565,466	606,777
Debtors: amounts falling due within one year	6	42,557	52,359
Cash at bank and in hand	7	4,287	3,730
		<u>612,310</u>	<u>662,866</u>
Creditors: amounts falling due within one year	8	(319,415)	(414,788)
Net current assets		<u>292,895</u>	<u>248,078</u>
Total assets less current liabilities		<u>368,209</u>	<u>359,242</u>
Provisions for liabilities			
Deferred taxation	9	(11,176)	(17,938)
		<u>(11,176)</u>	<u>(17,938)</u>
Net assets		<u><u>357,033</u></u>	<u><u>341,304</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Share premium account		40,000	40,000
Capital redemption reserve		40,000	40,000
Profit and loss account		177,033	161,304
		<u>357,033</u>	<u>341,304</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Michael James (Jewellers) Limited
Registered number: SC087513

Statement of Financial Position (continued)

As at 31 March 2017

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 September, 2017

A handwritten signature in black ink, appearing to read 'N J Sutherland', written over the date.

N J Sutherland

Director

The notes on pages 3 to 9 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The directors have considered the financial position of the company for at least 12 months from the date of approval of the financial statements. These projections show that there will continue to be cash reserves and that obligations can be met as they fall due.

As such, the directors have concluded that the company is a going concern and have prepared the financial statements on this basis.

1.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, the following bases.

Depreciation is provided on the following basis:

Display	- Straight line over 3 years
Fixtures & fittings	- 15% on cost
Computer equipment	- Straight line over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

1.12 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

1.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. General information

Michael James (Jewellers) Limited is a limited company registered in Scotland. Its registered office address is 4 Argyll Arcade, Glasgow, G2 8BA.

3. Employees

The average monthly number of employees, including directors, during the year was 17 (2016 -17).

Notes to the Financial Statements

For the Year Ended 31 March 2017

4. Tangible fixed assets

	Display £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2016	137,021	129,099	5,390	271,510
Additions	2,179	1,426	670	4,275
At 31 March 2017	139,200	130,525	6,060	275,785
Depreciation				
At 1 April 2016	65,883	89,852	4,611	160,346
Charge for the period on owned assets	30,191	9,263	671	40,125
At 31 March 2017	96,074	99,115	5,282	200,471
Net book value				
At 31 March 2017	43,126	31,410	778	75,314
At 31 March 2016	71,138	39,247	779	111,164

5. Stocks

	2017 £	2016 £
Finished goods and goods for resale	565,466	606,777

6. Debtors

	2017 £	2016 £
Prepayments and accrued income	42,557	40,767
Tax recoverable	-	11,592
	42,557	52,359

Notes to the Financial Statements

For the Year Ended 31 March 2017

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	4,287	3,730
Less: bank overdrafts	(130,179)	(226,140)
	<u>(125,892)</u>	<u>(222,410)</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	130,179	226,140
Trade creditors	67,334	82,858
Corporation tax	12,140	-
Other taxation and social security	45,554	50,077
Other creditors	64,208	55,713
	<u>319,415</u>	<u>414,788</u>

The bank overdraft is secured by a floating charge in favour of Clydesdale Bank plc over all assets of the company.

Other creditors include a loan from N J Sutherland, director. The balance outstanding at 1 April 2016 was £16,000 and £1,500 was repaid during the year, leaving a balance outstanding at the year end of £14,500. This loan is interest free and has no fixed repayment date.

9. Deferred taxation

	2017 £	2016 £
At beginning of year	17,938	5,892
Charged to profit or loss	(6,762)	12,046
At end of year	<u>11,176</u>	<u>17,938</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	11,176	17,938
	<u>11,176</u>	<u>17,938</u>

10. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised		
200,000 Ordinary shares shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

11. Pension commitments

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

12. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Later than 1 year and not later than 5 years	30,000	30,000
Later than 5 years	88,500	88,500
	<u>118,500</u>	<u>118,500</u>

13. Related party transactions

Included in other creditors is a loan from N J Sutherland, director. The balance outstanding at 1 April 2016 was £16,000 and £1,500 was repaid during the year, leaving a balance outstanding at the year end of £14,500. This loan is interest free and has no fixed repayment date.