



THE BATHROOM COMPANY (PERTH) LIMITED

**UNAUDITED DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 28 FEBRUARY 2017

THE BATHROOM COMPANY (PERTH) LIMITED

COMPANY INFORMATION

Directors	Lawrence W Haddow Fiona Lowry
Company secretary	Angela J Martin
Registered number	SC256721
Registered office	32 Leonard Street Perth PH2 8ER
Trading Address	32 Leonard Street Perth PH2 8ER
Accountants	Findlay and Company 11 Dudhope Terrace Dundee DD3 6TS
Bankers	Royal Bank of Scotland 12 Dunkeld Road Perth PH1 5RB

THE BATHROOM COMPANY (PERTH) LIMITED

CONTENTS

	Page
Balance Sheet	1 - 2
Notes to the Financial Statements	3 - 16

THE BATHROOM COMPANY (PERTH) LIMITED
REGISTERED NUMBER: SC256721

BALANCE SHEET
AS AT 28 FEBRUARY 2017

	Note	28 February 2017 £	29 February 2016 £
Fixed assets			
Intangible assets	4	-	750
Tangible assets	5	521,451	665,992
Investments	6	60	-
Investment property	7	381,411	-
		<u>902,922</u>	<u>666,742</u>
Current assets			
Stocks	8	225,700	159,308
Debtors: amounts falling due within one year	9	637,225	400,162
Cash at bank and in hand	10	597,603	488,084
		<u>1,460,528</u>	<u>1,047,554</u>
Creditors: amounts falling due within one year	11	(773,129)	(357,534)
Net current assets		<u>687,399</u>	<u>690,020</u>
Total assets less current liabilities		<u>1,590,321</u>	<u>1,356,762</u>
Creditors: amounts falling due after more than one year	12	(25,051)	(34,075)
Provisions for liabilities			
Deferred tax	16	(29,667)	(47,038)
		<u>(29,667)</u>	<u>(47,038)</u>
Net assets		<u><u>1,535,603</u></u>	<u><u>1,275,649</u></u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account		1,535,602	1,275,648
		<u><u>1,535,603</u></u>	<u><u>1,275,649</u></u>

THE BATHROOM COMPANY (PERTH) LIMITED
REGISTERED NUMBER: SC256721

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2017

The directors consider 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 directors acknowledge their 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.

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 income and retained earnings 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 29 June 2017.

Lawrence W Haddow

Director

The notes on pages 3 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

1. General information

The Bathroom Company (Perth) Limited is a private company limited by shares, incorporated in Scotland within the United Kingdom (company number SC256721). The address of the registered office is given in the company information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the company.

2. Accounting policies

2.1 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 following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Tenants improvements	- straight line over the life of the lease
Motor vehicles	- 25% reducing balance
Plant, fixtures and equipment	- 15% reducing balance

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 Income and Retained Earnings.

2.5 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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 balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.8 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.

Amounts recoverable on long term contracts, which are included in debtors are stated at net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on accounts.

2.9 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.

2.10 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.

2.11 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.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.13 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.18 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 Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 20 (2016 - 20).

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

4. Intangible assets

	Goodwill £
Cost	
At 1 March 2016	135,000
At 28 February 2017	135,000
Amortisation	
At 1 March 2016	134,250
Charge for the year	750
At 28 February 2017	135,000
Net book value	
At 28 February 2017	-
At 29 February 2016	750

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

5. Tangible fixed assets

	Freehold property £	Tenants Improvements £	Motor vehicles £	Plant, fixtures & equipment £	Total £
Cost or valuation					
At 1 March 2016	430,112	73,808	129,556	141,219	774,695
Additions	-	-	-	6,268	6,268
Transfers between classes	(106,019)	-	-	-	(106,019)
At 28 February 2017	324,093	73,808	129,556	147,487	674,944
Depreciation					
At 1 March 2016	-	18,467	30,812	59,424	108,703
Charge for the year on owned assets	-	7,381	24,677	12,732	44,790
At 28 February 2017	-	25,848	55,489	72,156	153,493
Net book value					
At 28 February 2017	324,093	47,960	74,067	75,331	521,451
At 29 February 2016	430,112	55,341	98,744	81,795	665,992

During the year, a property valued at £106,019 was transferred to investment properties.

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	60
At 28 February 2017	60
Net book value	
At 28 February 2017	60
At 29 February 2016	-

7. Investment property

	Freehold investment property £
Valuation	
Additions at cost	381,411
At 28 February 2017	381,411

The 2017 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	28 February 2017 £	29 February 2016 £
Historic cost	381,410	-
Accumulated depreciation and impairments	(7,628)	-
	373,782	-

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

8. Stocks

	28 February 2017 £	29 February 2016 £
Stock	225,700	159,308
	<u>225,700</u>	<u>159,308</u>

THE BATHROOM COMPANY (PERTH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

9. Debtors

	28 February 2017 £	<i>29 February 2016 £</i>
Trade debtors	327,918	217,738
Amounts owed by subsidiaries	38,964	-
Other debtors	240,562	165,857
Prepayments and accrued income	19,026	14,736
Amounts recoverable on long term contracts	10,755	1,831
	<u>637,225</u>	<u>400,162</u>

10. Cash and cash equivalents

	28 February 2017 £	<i>29 February 2016 £</i>
Cash at bank and in hand	597,603	488,084
	<u>597,603</u>	<u>488,084</u>

11. Creditors: Amounts falling due within one year

	28 February 2017 £	<i>29 February 2016 £</i>
Bank loans	306,873	11,600
Payments received on account	72,629	31,892
Trade creditors	130,536	89,535
Corporation tax	70,468	52,969
Other taxation and social security	65,092	49,846
Other creditors	112,113	111,379
Accruals and deferred income	15,418	10,313
	<u>773,129</u>	<u>357,534</u>

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

12. Creditors: Amounts falling due after more than one year

	28 February 2017 £	29 February 2016 £
Bank loans	21,388	34,075
Government grants received	3,663	-
	<u>25,051</u>	<u>34,075</u>

Secured loans

The company has granted security totalling £328,260 (2016 - £45,676) in respect of its debts.

The director, Mr Lawrence Haddow, has provided a personal guarantee for £162,000 in favour of the Royal Bank of Scotland.

There is also an intercompany guarantee in place between the The Bathroom Company (Perth) Limited and LW Haddow Plumbing and Heating Limited supported by a bond and floating charge.

Government grants

A grant was received from Perth & Kinross Council in relation to the development of an investment property purchased in the year. Per FRS 102, the grant should be released to the profit and loss account over the useful life of the property. However, also per FRS 102, investment properties are not depreciated therefore no release of the grant will be made to the profit and loss account. The grant will be released to the profit and loss account when and if the investment property is sold.

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

13. Loans

Analysis of the maturity of loans is given below:

	28 February 2017 £	29 February 2016 £
Amounts falling due within one year		
Bank loans	306,873	11,600
	<u>306,873</u>	<u>11,600</u>
Amounts falling due 2-5 years		
Bank loans	21,388	34,075
	<u>21,388</u>	<u>34,075</u>
	<u>328,261</u>	<u>45,675</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

28 February 2017 £	29 February 2016 £
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

15. Financial instruments

	28 February 2017 £	29 February 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	597,603	488,084
	<u>597,603</u>	<u>488,084</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

16. Deferred taxation

	2017 £
At beginning of year	(47,038)
Charged to profit or loss	17,371
At end of year	<u>(29,667)</u>

The provision for deferred taxation is made up as follows:

	28 February 2017 £
Accelerated capital allowances	(29,667)
	<u>(29,667)</u>

17. Share capital

	28 February 2017 £	29 February 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

THE BATHROOM COMPANY (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,755 (2016 - £5,447).

19. Commitments under operating leases

At 28 February 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2017 £	<i>29 February 2016 £</i>
Not later than 1 year	7,988	4,153
Later than 1 year and not later than 5 years	5,988	296
	<u>13,976</u>	<u>4,449</u>

20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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