

J K THOMSON & SONS LTD

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

**Company Registration No. SC409621 (Scotland)
PAGES FOR FILING WITH REGISTRAR**

J K THOMSON & SONS LTD

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J K THOMSON & SONS LTD

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		31,651		35,928
Current assets					
Stocks		194,451		198,424	
Debtors	4	26,165		28,977	
Cash at bank and in hand		76,355		110,559	
		<u>296,971</u>		<u>337,960</u>	
Creditors: amounts falling due within one year	5	<u>(79,993)</u>		<u>(113,221)</u>	
Net current assets			216,978		224,739
Total assets less current liabilities			<u>248,629</u>		<u>260,667</u>
Creditors: amounts falling due after more than one year	6		(40,636)		(54,414)
Provisions for liabilities			<u>(5,457)</u>		<u>(6,148)</u>
Net assets			<u>202,536</u>		<u>200,105</u>
Capital and reserves					
Called up share capital	7		150		150
Profit and loss reserves			<u>202,386</u>		<u>199,955</u>
Total equity			<u>202,536</u>		<u>200,105</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

J K THOMSON & SONS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

The financial statements were approved by the board of directors and authorised for issue on 30 June 2020 and are signed on its behalf by:

Mr David Thomson
Director

Mr Rodger Thomson
Director

Company Registration No. SC409621

J K THOMSON & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

J K Thomson & Sons Ltd is a private company limited by shares incorporated in Scotland. The registered office is 45 Barrhill Road, Cumnock, Ayrshire, KA18 1PW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts invoiced for the sale of secondhand motor vehicles, and repairs, maintenance & servicing of motor vehicles. Turnover is recognised upon delivery of vehicles and at invoice point for all maintenance work. Turnover is stated net of VAT and trade discounts.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% straight line
Fixtures, fittings & equipment	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

J K THOMSON & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

J K THOMSON & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2018 - 9).

J K THOMSON & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 September 2018	78,989
Additions	3,995
At 31 August 2019	82,984
Depreciation and impairment	
At 1 September 2018	43,061
Depreciation charged in the year	8,272
At 31 August 2019	51,333
Carrying amount	
At 31 August 2019	31,651
At 31 August 2018	35,928

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	20,115	6,597
Other debtors	6,050	22,380
	26,165	28,977

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	13,748	13,718
Trade creditors	21,546	16,964
Taxation and social security	11,364	11,482
Other creditors	33,335	71,057
	79,993	113,221

J K THOMSON & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	40,636	54,414

The bank term loan outstanding of £54,384 (2018 - £68,132) is secured by means of a floating charge over all assets of the company.

7 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
150 Ordinary Shares of £1 each	150	150

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019 £	2018 £
48,778	47,000

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2019 £	2018 £
21,000	21,000

9 Events after the reporting date

At the date on which the financial statements were approved, the financial implications arising from the Coronavirus (Covid-19) outbreak, which has affected the UK, are uncertain. The directors are reviewing forecasts for an anticipated change in the company's operational activities in the short term. They are of the opinion that the Covid-19 outbreak is a non-adjusting Post Balance Sheet event and that the company remains a going concern.

10 Related party transactions

The company rents commercial premises partly owned by directors of the company. The charge for the year ended 31 August 2019 amounted to £48,778 (2018 - £47,000).

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.