

CHOCOLATE GALLEY LTD
UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR



CHOCOLATE GALLEY LTD

COMPANY INFORMATION

Director	Ms C Wood
Company number	SC497664
Registered office	66 Tay Street PERTH PH2 8RA
Accountants	Johnston Carmichael LLP 66 Tay Street PERTH PH2 8RA

CHOCOLATE GALLEY LTD

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CHOCOLATE GALLEY LTD

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Goodwill	3		8,000		10,000
Other intangible assets	3		1,300		2,600
Total intangible assets			9,300		12,600
Tangible assets	4		77,818		85,487
			87,118		98,087
Current assets					
Stocks		15,881		18,255	
Debtors	5	5,701		3,915	
Cash at bank and in hand		13,928		6,661	
		35,510		28,831	
Creditors: amounts falling due within one year	6	(124,130)		(126,154)	
Net current liabilities			(88,620)		(97,323)
Total assets less current liabilities			(1,502)		764
Creditors: amounts falling due after more than one year	7		(2,946)		(1,625)
Provisions for liabilities			(1,799)		(1,129)
Net liabilities			(6,247)		(1,990)
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			(6,347)		(2,090)
Total equity			(6,247)		(1,990)

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

CHOCOLATE GALLEY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

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

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

The member has 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.

The financial statements were approved and signed by the director and authorised for issue on ...13/3/18.....

Carol Wood

Ms C Wood
Director

Company Registration No. SC497664

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Chocolate Galley Ltd is a private company limited by shares incorporated in Scotland. The registered office is 66 Tay Street, PERTH, PH2 8RA. The business address is 154 High Street, AUCHTERARDER, PH3 1AD.

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.

These financial statements for the year ended 31 March 2017 are the first financial statements of Chocolate Galley Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 12 February 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The financial statements have been prepared on the going concern basis as the directors believe it is appropriate to do so. In coming to this conclusion they have considered the cashflow of the business over the twelve months from the date of approval of these financial statements. The directors have confirmed that they will support the company for at least twelve months from the approval of the accounts and in addition will not withdraw their loan until all other creditors have been paid.

1.3 Reporting period

The financial statements have been prepared for the year to 31 March 2017. The comparative financial statements were prepared for the period from the date of incorporation on 12 February 2015 to 31 March 2016. As such the two periods are not entirely comparable.

1.4 Turnover

Turnover represents amounts receivable for the manufacture and sale of chocolate, the operation of a café and chocolate workshops.

Revenue is recognised on the accruals basis.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.7 Intangible fixed assets other than goodwill

Amortisation 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:

Website costs	33% straight line
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1.8 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:

Leasehold improvements	5% straight line
Fixtures, fittings & equipment	20% 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.

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

1.12 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.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

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.

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price.

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.

1.13 Equity instruments

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

1.14 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.

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 10 (2016 - 10).

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 April 2016 and 31 March 2017	10,000	3,900	13,900
Amortisation and impairment			
At 1 April 2016	-	1,300	1,300
Amortisation charged for the year	2,000	1,300	3,300
At 31 March 2017	2,000	2,600	4,600
Carrying amount			
At 31 March 2017	8,000	1,300	9,300
At 31 March 2016	10,000	2,600	12,600

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	64,602	30,146	94,748
Additions	-	1,990	1,990
At 31 March 2017	<u>64,602</u>	<u>32,136</u>	<u>96,738</u>
Depreciation and impairment			
At 1 April 2016	3,231	6,030	9,261
Depreciation charged in the year	3,231	6,428	9,659
At 31 March 2017	<u>6,462</u>	<u>12,458</u>	<u>18,920</u>
Carrying amount			
At 31 March 2017	<u>58,140</u>	<u>19,678</u>	<u>77,818</u>
At 31 March 2016	<u>61,371</u>	<u>24,116</u>	<u>85,487</u>
5 Debtors		2017	2016
Amounts falling due within one year:		£	£
Trade debtors		4,390	1,633
Other debtors		1,311	2,282
		<u>5,701</u>	<u>3,915</u>
6 Creditors: amounts falling due within one year		2017	2016
		£	£
Trade creditors		10,819	7,873
Corporation tax		1,630	62
Other taxation and social security		4,221	-
Other creditors		107,460	118,219
		<u>124,130</u>	<u>126,154</u>
7 Creditors: amounts falling due after more than one year		2017	2016
		£	£
Other creditors		<u>2,946</u>	<u>1,625</u>

CHOCOLATE GALLEY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Government grants

In 2016, the company received a government grant which was to provide assistance for the development of the company's website. In 2017, the company received another government grant which was to provide assistance with IT purchases. As stated in note 1, the director has elected to apply the accruals model and release the grant over the useful life of the asset. At the balance sheet date £4,013 (2016 - £1,625) was deferred and £812 (2016 - £812) was released during the year. The director confirmed there are no unfulfilled conditions and have not benefitted from other government assistance.

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 ordinary 'A' shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10 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:

	2017	2016
	£	£
	-	18,001
	<u>-</u>	<u>18,001</u>

11 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Key management personnel	85,881	111,769
	<u>85,881</u>	<u>111,769</u>