

Company registration number: **12345678**

Sparkles Cakes Limited

UNAUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2015

Sparkles Cakes Limited

Unaudited Financial Statements

Year ended 31 December 2015

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Sparkles Cakes Limited

Officers and Professional Advisers

Year ended 31 December 2015

Director Jane Sparkle (appointed 01/01/2015)

Registered office Sparkle House
30 Sparkle Street
Salford
M40 1TB
United Kingdom

Accountant Sally 5
12 Church Place
Manchester
M1 5NT
United Kingdom

Sparkles Cakes Limited

Directors Report

Year ended 31 December 2015

The director presents the report and the unaudited financial statements of the company for the year ended 31 December 2015.

INCORPORATION AND CHANGE OF COMPANY NAME

The company was incorporated on 1 January 2015 as NewInc Limited.

The name of the company was changed from NewInc Limited to Sparkles Cakes Limited on 31 January 2015.

DIRECTORS

The director who served the company during the year was as follows:

Jane Sparkle (appointed 01/01/2015)

POLITICAL DONATIONS AND EXPENDITURE

During the year the company has made the following political contributions:

	2015
	£
Monster Raving Loony Party	2,000
The Green Party	1,000
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	3,000
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SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 8 January 2016 and signed on behalf of the board by:

Jane Sparkle
Director

Sparkles Cakes Limited

Accountant's Report

Year ended 31 December 2015

REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SPARKLES CAKES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015

As described on the Balance sheet, the Board of Directors of Sparkles Cakes Limited are responsible for the preparation of the financial statements for the year ended 31 December 2015, which comprise the profit and loss account, balance sheet and related notes.

You consider that the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions I have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to me.

Sally 5

12 Church Place
Manchester
M1 5NT
United Kingdom

Date: 8 January 2016

Sparkles Cakes Limited

Profit and Loss Account

Year ended 31 December 2015

	Note	2015 £
Turnover		115,300
Cost of sales		(30,000)
Gross profit		<u>85,300</u>
Administrative expenses		(35,300)
Operating profit	2	<u>50,000</u>
Profit on ordinary activities before taxation		<u>50,000</u>
Tax on profit on ordinary activities	3	(3,100)
Profit for the financial year		<u><u>46,900</u></u>

The notes on pages 7 to 11 form part of these financial statements.

Sparkles Cakes Limited

Balance Sheet

31 December 2015

	Note	2015 £
Fixed assets		
Tangible assets	4	117,500
Current assets		
Stocks		1,000
Debtors	5	6,500
Cash at bank and in hand		18,950
		<u>26,450</u>
Creditors: amounts falling due within one year	6	<u>(114,550)</u>
Net current liabilities		<u>(88,100)</u>
Total assets less current liabilities		<u>29,400</u>
Provision for liabilities	8	<u>(2,000)</u>
Net assets		<u><u>27,400</u></u>
Capital and reserves		
Called up share capital	9	100
Profit and loss account	11	27,300
Shareholders funds		<u><u>27,400</u></u>

For the year ending 31 December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes on pages 7 to 11 form part of these financial statements.

Sparkles Cakes Limited

Balance Sheet (continued)

31 December 2015

These financial statements were approved by the board of directors and authorised for issue on 8 January 2016, and are signed on behalf of the board by:

Jane Sparkle

Director

Company registration number: 12345678

The notes on pages 7 to 11 form part of these financial statements.

Sparkles Cakes Limited

Notes to the Financial Statements

Year ended 31 December 2015

1 Accounting policies

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

TURNOVER

Turnover represents amounts invoiced during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised when the seller obtains the right to consideration in exchange for its performance, usually on dispatch of the goods.

CURRENT TAX

Current tax is recognised in the profit and loss account, except to the extent that it is attributable to a gain or loss that has been recognised directly in the statement of total recognised gains or losses. In this case, tax is recognised in this statement. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

TANGIBLE ASSETS

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and buildings	Straight line over 40 years
Plant and machinery	25% Straight line

STOCKS

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured on an undiscounted basis at the tax rates that would apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted at the balance sheet date.

PROVISION FOR LIABILITIES

Provisions are recognised when it is probable that a present obligation exists, as a result of a past event, and a transfer of economic benefits is required in settlement that can be estimated reliably.

Sparkles Cakes Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

Provisions are recorded at the best estimate of the expenditure required to settle the obligation at the balance sheet date. A review is carried out at each balance sheet date and the amount adjusted to reflect the current best estimate.

Where discounting is used, the unwinding of the discount is recognised as a finance cost in the profit and loss account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of contractual arrangements, as either financial assets, financial liabilities or equity instruments.

OPERATING LEASES

Leases are classified as operating leases where substantially all the benefits of ownerships remain with the lessor. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

2 Operating profit

Operating profit is stated after charging/(crediting):

	2015
	£
Depreciation of tangible assets owned by the company	7,500
	<u><u> </u></u>

3 Tax on ordinary activities

	2015
	£
Current tax	
UK current tax charge	2,000
Deferred tax	
Origination and reversal of timing differences	1,100
Tax on profit on ordinary activities	<u><u> </u></u>
	3,100

Sparkles Cakes Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

4 Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
Additions	100,000	35,000	135,000
Disposals	-	(10,000)	(10,000)
At 31 December 2015	<u>100,000</u>	<u>25,000</u>	<u>125,000</u>
Depreciation			
Charge	-	8,500	8,500
Disposals	-	(1,000)	(1,000)
At 31 December 2015	<u>-</u>	<u>7,500</u>	<u>7,500</u>
Net book value			
At 31 December 2015	<u>100,000</u>	<u>17,500</u>	<u>117,500</u>

5 Debtors

	2015 £
Trade debtors	5,500
Other debtors	1,000
	<u>6,500</u>

The debtors above include the following amounts falling due after more than one year:

	2015 £
Trade debtors	<u>600</u>

Sparkles Cakes Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

6 Creditors: amounts falling due within one year

	2015
	£
Bank loans and overdrafts	110,100
Trade creditors	2,500
Taxation and social security	950
Other creditors	1,000
	<u>114,550</u>

7 Deferred tax

The deferred tax account consists of timing differences in respect of:

	2015
	£
Accelerated capital allowances	2,000
	<u>2,000</u>

8 Provisions for liabilities

	Deferred tax (Note 7)
	£
Additions	2,000
At 31 December 2015	<u>2,000</u>

9 Called up share capital

ALLOTTED, CALLED UP AND FULLY PAID

	2015	
	No.	£
Type A ordinary shares shares of £1.00 each	100	100

Sparkles Cakes Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

10 Dividends

	2015 £
Dividends paid during the year	19,600

11 Reserves

	Profit and loss account £
Profit for the financial year	46,900
Dividends paid	(19,600)
At 31 December 2015	27,300

12 Operating leases

During the year the company has committed to make the following operating lease payments:

	2015 £
Expiry within one year	2,000
Expiry between two to five years	3,000
Expiry after five years	1,000
	6,000

13 Directors advances, credit and guarantees

Included in debtors due in more than one year is £600 due from Sally Sparkles, director of Sparkles Cake Limited.

14 Controlling party

The company is controlled by the sole directors and shareholder Sally Sparkles.

Sparkles Cakes Limited

Detailed Profit and Loss Account

Year ended 31 December 2015

	2015
	£
Turnover	115,300
Cost of sales	(30,000)
Gross profit	<u>85,300</u>
Administrative expenses	(35,300)
Operating profit	<u>50,000</u>
Profit on ordinary activities before taxation	<u><u>50,000</u></u>

TURNOVER

	2015
	£
Sales	<u>115,300</u>

COST OF SALES

	2015
	£
Purchases	<u>30,000</u>

ADMINISTRATIVE EXPENSES

	2015
	£
Wages and salaries	15,000
Light, heating and power	800
Motor expenses	100
Travelling	500
Marketing	1,000
Printing postage, and stationery	500
General insurance	400
Legal fees	200

Sparkles Cakes Limited

Detailed Profit and Loss Account (continued)

Year ended 31 December 2015

Operating lease rentals	6,000
Repairs and maintenance	300
Depreciation	7,500
EU political donations	3,000
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	35,300
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