

Keetons Management Services Ltd
Filleted Unaudited Financial Statements
31 December 2016



HAGGARDS CROWTHER PROFESSIONAL SERVICES LLP

Chartered Accountants
2nd Floor
Heathmans House
19 Heathmans Road
London
SW6 4TJ

Keetons Management Services Ltd

Financial Statements

Year ended 31 December 2016

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Keetons Management Services Ltd

Officers and Professional Advisers

Director	Mr M G Barlow
Company secretary	Haggards & Co Limited
Registered office	2nd Floor Heathmans House 19 Heathmans Road London SW6 4TJ
Accountants	Haggards Crowther Professional Services LLP Chartered Accountants 2nd Floor Heathmans House 19 Heathmans Road London SW6 4TJ

Keetons Management Services Ltd

Chartered Accountants Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of Keetons Management Services Ltd

Year ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Keetons Management Services Ltd for the year ended 31 December 2016, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the director of Keetons Management Services Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Keetons Management Services Limited and state those matters that we have agreed to state you in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Keetons Management Services Limited and its director for our work or for this report.

It is your duty to ensure that Keetons Management Services Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Keetons Management Services Ltd. You consider that Keetons Management Services Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Keetons Management Services Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.


HAGGARDS CROWTHER PROFESSIONAL SERVICES LLP
Chartered Accountants

2nd Floor
Heathmans House
19 Heathmans Road
London
SW6 4TJ

25 September 2017

Keetons Management Services Ltd

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	3,390,868	2,884,176
Current assets			
Debtors	6	2,474,550	2,345,121
Cash at bank and in hand		<u>107,315</u>	<u>52,785</u>
		2,581,865	2,397,906
Creditors: amounts falling due within one year	7	<u>515,132</u>	<u>512,362</u>
Net current assets		2,066,733	1,885,544
Total assets less current liabilities		5,457,601	4,769,720
Creditors: amounts falling due after more than one year	8	1,800,000	1,800,000
Provisions			
Taxation including deferred tax		<u>88</u>	<u>690</u>
Net assets		<u>3,657,513</u>	<u>2,969,030</u>
Capital and reserves			
Called up share capital		660,625	660,625
Capital redemption reserve		39,375	39,375
Profit and loss account		<u>2,957,513</u>	<u>2,269,030</u>
Member funds		<u>3,657,513</u>	<u>2,969,030</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

The statement of financial position
continues on the following page.

The notes on pages 5 to 10 form part of these financial statements.

Keetons Management Services Ltd

Statement of Financial Position *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 25 September 2017, and are signed on behalf of the board by:



Mr M G Barlow
Director

Company registration number: 00347823

The notes on pages 5 to 11 form part of these financial statements.

Keetons Management Services Ltd

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2nd Floor, Heathmans House, 19 Heathmans Road, London, SW6 4TJ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors there are no judgements or key sources of estimation uncertainty that affect the preparation of the financial statements.

Revenue recognition

The company's turnover arises solely in the UK and is derived wholly from the principal activity of the company. Rental income and service charges from investment properties are recognised in accordance with the terms of the underlying leases. Management fees are recognised in accordance with agreements for services provided.

Income tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or a right to pay less) tax at a future date, at the tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Keetons Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Fixtures and fittings	- 33% straight line
Office Equipment	- 33% straight line

Depreciation is not provided in respect of freehold investment properties. This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The director considers that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Keetons Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Defined contribution plans

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

4. Employee numbers

The average number of persons employed by the company during the year, including the director, amounted to 2 (2015: 2).

Keetons Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

5. Tangible assets

	Freehold Property £	Fixtures and fittings £	Office Equipment £	Total £
Cost or valuation				
At 1 January 2016	2,880,725	46,946	383,798	3,311,469
Revaluations	509,700	–	–	509,700
Other movements	–	–	(21,368)	(21,368)
At 31 December 2016	3,390,425	46,946	362,430	3,799,801
Depreciation				
At 1 January 2016	–	45,017	382,276	427,293
Charge for the year	–	1,929	1,080	3,009
Other movements	–	–	(21,369)	(21,369)
At 31 December 2016	–	46,946	361,987	408,933
Carrying amount				
At 31 December 2016	3,390,425	–	443	3,390,868
At 31 December 2015	2,880,725	1,929	1,522	2,884,176

The total original cost of investment properties shown at valuation above was £4,638,038 (2015: £4,638,038). Investment properties are held for use under operating leases.

The company commissioned a valuation of the investment property portfolio in December 2016 which was undertaken by Fowler Sandford, Chartered Surveyors and Valuers, which valued the property portfolio at £3,390,425.

6. Debtors

	2016 £	2015 £
Trade debtors	39,682	41,098
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,422,871	2,275,841
Other debtors	11,997	28,182
	2,474,550	2,345,121

7. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	15,071	15,913
Corporation tax	44,180	51,516
Social security and other taxes	19,680	16,193
Other creditors	436,201	428,740
	515,132	512,362

Keetons Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

8. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>1,800,000</u>	<u>1,800,000</u>

The loan of £1,800,000 (2015 - £1,800,000) from Barlow Group Limited is secured by: A first legal charge over the land at Keetons Hill, Sheffield, with registered Number SYK394092; and a legal charge over 1 Broom Close, Sheffield, with registered number SYK552372.

In addition, the loan is secured by way of a fixed charge over both properties at the above addresses and a floating charge over all moveable plant, machinery, furniture and equipment within these properties.

Interest is charged on the loan at 1.5% per annum.

9. Related party transactions

Controlling entity

The immediate and ultimate parent company is Keetons Holdings Limited, a company incorporated in England and Wales. The ultimate controlling party is M G Barlow, a director of the company.

Mr M G Barlow is the controlling party of a number of companies and details of transactions and balances with these companies are detailed below:

The company made sales to and purchases from Barlow Group Limited of £122,000 (2015 - £158,686) and £10,164 (2015 - £8,862) respectively. Balances outstanding at the end of the year with this company were £12,200 (2015 - £10,603) debit.

At 31 December 2016, the company had an outstanding loan from Barlow Group Limited of £1,800,000 (2015 - £1,800,000). Interest payable in the year is £30,000 (2015 - £30,000) and is detailed in note 11.

At 31 December 2016, the company had an outstanding loan from Barlow Group Holdings Limited of £400,000 (2015 - £400,000). The loan is non-interest bearing, unsecured and repayable on demand.

As at 31 December 2016, the company owed subsidiaries of Barlow Group Limited, Barlow Financial Interiors Limited and Barlow Joinery Production Limited £1,000 (2015 - £1,000) and £25,075 (2015 - £25,075) respectively.

The company made sales to Birley Manufacturing Limited of £254,740 (2015 - £258,924) and had a balance outstanding at the year end of £25,474 (2015 - £30,495) debit.

During the year the company made loans to Keetons Holdings Limited, its immediate parent company of £147,030 (2015 - £1,280,748). The balance of £2,417,159 (2015 - £2,270,129) remained outstanding at the year end. The loan is unsecured, interest free and repayable on demand.

At the end of the year Mr M G Barlow was owed £2,776 (2015 - £1,937) of expenses incurred personally on behalf of Keetons Management Services Ltd. This balance is held in trade creditors.

Keetons Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.