

# James Kent (Ceramic Materials) Limited

## ABBREVIATED FINANCIAL STATEMENTS

1 January 2012

Company Registration No 01484469

THURSDAY



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03/05/2012

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COMPANIES HOUSE

**INDEPENDENT AUDITOR'S REPORT TO JAMES KENT (CERAMIC MATERIALS) LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 2 to 8, together with the financial statements of James Kent (Ceramic Materials) Limited for the period ended 1 January 2012 prepared under section 396 of the Companies Act 2006

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

*Baker Tilly UK Audit LLP*

**Anne Lakin** (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*30 April* 2012

# James Kent (Ceramic Materials) Limited

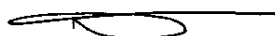
## ABBREVIATED BALANCE SHEET

at 1 January 2012

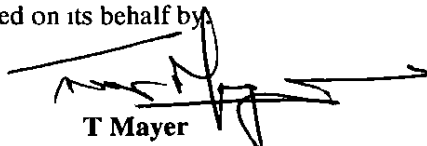
	Note	At 1 January 2012 £	At 2 January 2011 £
<b>FIXED ASSETS</b>			
Tangible assets	1	705,282	466,480
<b>CURRENT ASSETS</b>			
Stocks		496,779	328,886
Debtors (amounts due in more than one year £307,170)		1,650,800	1,206,423
Cash at bank and in hand		359	199
		<u>2,147,938</u>	<u>1,535,508</u>
<b>CREDITORS</b> amounts falling due within one year	2	<u>(1,425,238)</u>	<u>(1,012,405)</u>
<b>NET CURRENT ASSETS</b>		<u>722,700</u>	<u>523,103</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,427,982</u>	<u>989,583</u>
<b>CREDITORS</b> amounts falling due after more than one year	3	(693,463)	(498,982)
<b>PROVISIONS FOR LIABILITIES</b>		(115,652)	(65,264)
<b>NET ASSETS</b>		<u>618,867</u>	<u>425,337</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	320,000	320,000
Profit and loss account		298,867	105,337
<b>SHAREHOLDERS' FUNDS</b>		<u>618,867</u>	<u>425,337</u>

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

The financial statements on pages 2 to 8 were approved by the board of directors and authorised for issued on 21<sup>st</sup> April 2012 and are signed on its behalf by



**JMA Fendek**  
Director



**T Mayer**  
Director

Company Registration No 01484469

# James Kent (Ceramic Materials) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under historical cost convention, modified to include the revaluation of certain tangible fixed assets

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

As the company is a wholly owned subsidiary of James Kent Consolidated Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group and are 100% controlled

### GOING CONCERN

The company's business activities are the manufacture and supply of speciality technical glasses, refractory coatings and frits with the company's turnover level being reliant on the worldwide steel business cycle which during 2011 has been buoyant

As highlighted in note 2 to the financial statements, the company meets its day-to-day working capital requirements through an invoice discounting facility that is agreed until October 2011 and thereafter will be on a rolling basis with three months notice together with an agreed overdraft facility and bank loan

The company's and group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company and the group should be able to operate within the current level of the invoice discounting facility and bank facilities

The directors, having assessed the forecasts and information available, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of James Kent (Ceramic Materials) Limited to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### TANGIBLE FIXED ASSETS

Fixed assets, other than freehold land and buildings, are stated at historical cost

Freehold land and buildings are revalued in accordance with FRS 15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors every five years and an interim valuation in year three

Depreciation is provided on tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows -

Freehold buildings	-	2.5% per annum
Plant and machinery	-	10-12.5% per annum on cost
Motor vehicles	-	20% per annum on cost
Fixtures, fittings, tools and equipment	-	25% per annum on cost

No depreciation is charged during the year of acquisition however there is a full year's charge in the year of disposal

### STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items

# James Kent (Ceramic Materials) Limited

## ACCOUNTING POLICIES

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### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### DEFERRED TAXATION

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised to the extent that they are expected to be recovered in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

### PENSION COSTS

The company operates a defined contribution scheme. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers in undertaking the principal activity of the company.

Income is recognised in the financial statements at the date goods are despatched to customers.

### RENTAL INCOME

Rental income is recognised in the financial statements when due from the tenant.

# James Kent (Ceramic Materials) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 1 January 2012

### 1 TANGIBLE FIXED ASSETS

	Total
	£
<b>COST OR VALUATION</b>	
At beginning of period	1,243,537
Additions	310,345
Disposals	(19,218)
	<hr/>
At end of period	1,534,664
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<b>COST</b>	1,342,252
<b>VALUATION</b>	192,412
	<hr/>
	1,534,664
	<hr/>
<b>DEPRECIATION</b>	
At beginning of period	777,057
Charge for period	71,543
On disposals	(19,218)
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At end of period	829,382
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<b>NET BOOK VALUE</b>	
<b>At 1 January 2012</b>	<b>705,282</b>
	<hr/>
At 3 January 2011	466,480
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Particulars relating to revalued assets are given below	At 1 January 2012 £	At 2 January 2011 £
<b>LAND AND BUILDINGS</b>		
Historical cost of revalued assets	192,412	192,412
Aggregate depreciation based on historical cost	(9,594)	(4,797)
	<hr/>	<hr/>
Historical cost net book value	182,818	187,615
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Other tangible fixed assets are included at cost

On 15 February 2011 the freehold land and buildings of the James Kent Consolidated Limited group were revalued by chartered surveyors Louis Taylor. The open market value of the freehold interest in the property free from encumbrance, with the benefit of full possession is £1,600,000. The valuation had been carried out in accordance with the guidance notes issued by The Royal Institute of Chartered Surveyors for Asset Valuations.

Of the total valuation of £1,600,000, £192,412 has been allocated to James Kent (Ceramic Materials) Limited being the estimated value of the property still held by this company.

# James Kent (Ceramic Materials) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 1 January 2012

### 1 TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and similar hire purchase contracts included above, are as follows

	Net book value		Depreciation charge	
	At 1 January 2012 £	At 2 January 2011 £	At 1 January 2012 £	At 2 January 2011 £
Plant and machinery	<b>32,431</b>	37,765	<b>5,334</b>	5,334

### 2 CREDITORS Amounts falling due within one year

	At 1 January 2012 £	At 2 January 2011 £
Bank overdrafts	<b>211,857</b>	135,157
Bank loans	<b>61,600</b>	75,434
Obligations under finance leases and hire purchase contracts	<b>4,929</b>	8,379
Amounts due to invoice discounter	<b>418,364</b>	325,136

National Westminster Bank PLC holds an all unscheduled debenture incorporating a fixed charge by way of legal mortgage on all freehold and leasehold property owned by the company (including land), and a first legal charge on the freehold and leasehold properties of the company not effectively mortgaged, all fixtures and fittings and all fixed plant and machinery

The company has signed a cross guarantee to secure the bank indebtedness with National Westminster Bank PLC of Cera Dynamics Limited, KMCI Limited, James Kent Group Limited and James Kent Consolidated Limited. At the period end the amount of bank indebtedness of Cera Dynamics Limited, KMCI Limited and James Kent Consolidated Limited with National Westminster Bank PLC was £nil (2011 £nil)

HSBC Invoice Finance (UK) Limited hold a fixed and floating charge on all the assets of the company dated 10 November 2010

HSBC Bank plc hold a debenture dated 18 August 2010 over the assets of the company

The company has a signed unlimited multilateral guarantee dated 22 June 2011 given by James Kent (Ceramic Materials) Limited, Martin Colour Company Limited, Cera Dynamics Limited, James Kent Consolidated Limited, James Kent Group Limited and KMCI Limited with HSBC Bank plc

HSBC Bank plc also has a charge over contract monies. The secured trade debtors were £582,991 (2010 £471,970)

# James Kent (Ceramic Materials) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 1 January 2012

### 3 CREDITORS Amounts falling due after more than one year

	At 1 January 2012	At 2 January 2011
	£	£
Bank loans (see below)	246,400	105,678
Obligations under finance leases and hire purchase contracts	2,982	7,911
	<u>249,382</u>	<u>113,589</u>

Included in the total are the following bank loans which are due in more than five years

	At 1 January 2012	At 2 January 2011
	£	£
In five years or more	-	29,822
	<u>-</u>	<u>29,822</u>

### 4 CALLED UP SHARE CAPITAL

	At 1 January 2012	At 2 January 2011
	£	£
Allotted, called up and fully paid		
128,000 ordinary A shares of £1	128,000	128,000
112,000 ordinary B shares of £1	112,000	112,000
80,000 ordinary C shares of £1	80,000	80,000
	<u>320,000</u>	<u>320,000</u>

Each class of ordinary shares of £1 each rank pari passu in all respects except that a minority shareholder of the A, B or C shares has to vote with the majority shareholders of the A, B, C shares respectively

### 5 CONTINGENT LIABILITIES

All group companies are members of a VAT group At 1 January 2012 the VAT exposure of the VAT group excluding that of the company was £45,584 (2011 £35,590)

The company has a signed cross guarantee to secure the bank indebtedness with National Westminster Bank plc to James Kent (Ceramic Materials) Limited, KMCI Limited, James Kent Consolidated Limited, Cera Dynamics Limited and James Kent Group Limited At the period end this was £nil (2011 £nil)

The company has signed a multilateral cross guarantee to secure the indebtedness with HSBC Bank plc with KMCI Limited, James Kent Consolidated, Cera Dynamics Limited, James Kent Group Limited and Martin Colour Company Limited The exposure at the period end was £78,912



**James Kent (Ceramic Materials) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 364 day period ended 1 January 2012**

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**6 ULTIMATE PARENT COMPANY**

The company is wholly owned subsidiary of James Kent Consolidated Limited, a company incorporated in the United Kingdom. The financial statements of the group are available from Companies House.