

James Kent (Ceramic Materials) Limited

ABBREVIATED FINANCIAL STATEMENTS

3 January 2016



Company Registration No. 01484469

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

We have examined the abbreviated financial statements set out on pages 2 to 10, together with the financial statements of James Kent (Ceramic Materials) Limited for the period ended 3 January 2016 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

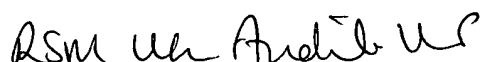
This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, accept or assume responsibility for any other purpose or to 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 financial statements and that the abbreviated financial statements are properly prepared.

Opinion

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



ANNE LAKIN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

3 May 2016

James Kent (Ceramic Materials) Limited

STATEMENT OF FINANCIAL POSITION

at 3 January 2016

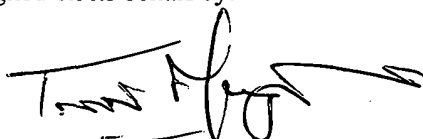
	Note	At 3 January 2016		At 4 January 2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	1		937,098		1,016,659
CURRENT ASSETS					
Stocks		432,614		452,299	
Debtors		628,352		664,530	
Cash at bank and in hand		71,915		49,381	
		1,132,881		1,166,210	
CREDITORS: amounts falling due within one year		(970,656)		(975,392)	
NET CURRENT ASSETS			162,225		190,818
TOTAL ASSETS LESS CURRENT LIABILITIES			1,099,323		1,207,477
CREDITORS: amounts falling due after more than one year	2		(190,342)		(299,474)
PROVISIONS FOR LIABILITIES			(152,695)		(151,840)
NET ASSETS			756,286		756,163
CAPITAL AND RESERVES					
Called up share capital	3		320,000		320,000
Revaluation reserve			8,216		8,684
Profit and loss account			428,070		427,479
TOTAL EQUITY			756,286		756,163

The 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 10 were approved by the board of directors and authorised for issued on 22/4/2016 and are signed on its behalf by:



JMA Fendek
Director



T Mayer
Director

Company Registration No. 01484469

James Kent (Ceramic Materials) Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

James Kent (Ceramic Materials) Limited is a limited Company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

The Company's principal activities are the manufacture and supply of speciality technical glasses, refractory coatings and frits.

BASIS OF ACCOUNTING

These financial statements are the first financial statements of James Kent (Ceramic Materials) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of James Kent (Ceramic Materials) Limited for the year ended 4 January 2015 were prepared in accordance under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, in accordance with the applicable United Kingdom Accounting Standards.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of James Kent Consolidated Limited. The consolidated financial statements of James Kent Consolidated Limited are available from Companies House, Crown Way, Cardiff, CF12 3UZ.

GOING CONCERN

The Company meets its day-to-day working capital requirements through an invoice discounting facility that was agreed in 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 forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company 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.

In addition the Company has received a letter of support from its holding Company James Kent Consolidated Limited.

James Kent (Ceramic Materials) Limited

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS

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

Depreciation is provided on all 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
Long leasehold improvements	-	2.5-5% per annum
Plant and machinery	-	10-12.5% per annum on cost
Fixtures, fittings, tools and equipment	-	25% per annum on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

REVALUATION OF PROPERTIES

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the Company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

James Kent (Ceramic Materials) Limited

ACCOUNTING POLICIES

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASED ASSETS AND OBLIGATIONS

All 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.

RESEARCH AND DEVELOPMENT

All research and other development costs are written off as incurred.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

James Kent (Ceramic Materials) Limited

ACCOUNTING POLICIES

TURNOVER (continued)

Sale of speciality technical glasses, refractory coatings and frits

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of speciality technical glasses, refractory coatings and frits are recognised when goods are delivered and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer.

RENTAL INCOME

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

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. No provisions were held at the period ends.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade creditors

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

James Kent (Ceramic Materials) Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROFIT AND LOSS RESERVE

The cumulative profit and loss net of distributions to owners.

REVALUATION RESERVES

The cumulative revaluation gains and losses in respect of land and buildings except revaluation gains and losses recognised in profit and loss.

James Kent (Ceramic Materials) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 3 January 2016

1 TANGIBLE FIXED ASSETS

	Total
	£
COST OR VALUATION	
At beginning of period	1,590,006
Disposal	(9,249)
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At end of period	1,580,757
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COST	1,440,002
VALUATION	140,755
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	1,580,757
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DEPRECIATION	
At beginning of period	573,347
Charge for period	79,561
On disposal	(9,249)
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At end of period	643,659
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NET BOOK VALUE	
At 3 January 2016	937,098
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At 4 January 2015	1,016,659
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Particulars relating to revalued assets are given below:	At 3 January 2016 £	At 4 January 2015 £
BUILDINGS		
Historical cost of revalued assets	152,133	152,133
Aggregate depreciation based on historical cost	(17,528)	(14,487)
	<hr/>	<hr/>
Historical cost net book value	134,605	137,646
	<hr/>	<hr/>

On 9 April 2014 the freehold land and buildings of the James Kent Consolidated Limited group were revalued by chartered surveyors Butters John Bee. The open market value of the freehold interest in the property free from encumbrance, with the benefit of full possession is £1,870,000. 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 £1,870,000, £140,755 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 3 January 2016

2 CREDITORS: Amounts falling due in more than one year

	At 3 January 2016 £	At 4 January 2015 £
Bank loans	80,831	172,916
Amounts owed to group undertakings	97,117	97,117
Deferred consideration	12,394	29,441
	<u>190,342</u>	<u>299,474</u>

The bank loans are repayable on a monthly basis and incur interest at rates of 1.89% and 3% above base rate. The base rate at the period end was 0.5%. The bank loans are repayable in December 2016, October 2017, February 2018 and March 2019.

Amounts owed to group undertakings due in more than one year have interest charged at a rate of 3.5% per annum. The charge for the period ended 3 January 2016 was £3,399 (4 January 2015: £nil).

3 CALLED UP SHARE CAPITAL

	At 3 January 2016 £	At 4 January 2015 £
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>

4 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of James Kent Consolidated Limited, a Company incorporated in the United Kingdom.

James Kent Consolidated Limited is the ultimate parent undertaking and is the largest and smallest group for which consolidated accounts, including James Kent (Ceramic Materials) Limited, are prepared.

The consolidated financial statements of James Kent Consolidated Limited are available to the public from Companies House, Maindy, Cardiff, CF12 3UZ.

There is no ultimate controlling party.

James Kent (Ceramic Materials) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 3 January 2016

5 FIRST TIME ADOPTION OF FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are not included as the directors consider there are no material changes.