

Kay Welding Supplies Ltd

Annual Report and Unaudited Abridged Financial Statements
for the Year Ended 31 March 2020

Shacter Cohen & Bor LLP
31 Sackville Street
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Kay Welding Supplies Ltd

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Kay Welding Supplies Ltd

Company Information

Directors Mr GJ Haycock
Mr J Spencer

Company secretary Mr J Spencer

Registered office Unit 5 Sutton Oak Drive
Baxter Lane Industrial Estate
St Helens
Merseyside
WA9 3PH

Accountants Shacter Cohen & Bor LLP
31 Sackville Street
Manchester
M1 3LZ

Kay Welding Supplies Ltd
(Registration number: 02553063)
Abridged Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	70,660	68,001
Current assets			
Stocks	<u>6</u>	94,337	109,372
Debtors		300,272	334,684
Cash at bank and in hand		<u>7,354</u>	<u>3,395</u>
		401,963	447,451
Prepayments and accrued income		7,920	7,744
Creditors: Amounts falling due within one year		<u>(351,923)</u>	<u>(396,535)</u>
Net current assets		<u>57,960</u>	<u>58,660</u>
Total assets less current liabilities		128,620	126,661
Provisions for liabilities		(11,616)	(10,727)
Accruals and deferred income		<u>(4,000)</u>	<u>(4,000)</u>
Net assets		<u><u>113,004</u></u>	<u><u>111,934</u></u>
Capital and reserves			
Called up share capital	<u>7</u>	200	200
Profit and loss account		<u>112,804</u>	<u>111,734</u>
Shareholders' funds		<u><u>113,004</u></u>	<u><u>111,934</u></u>

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 10 form an integral part of these abridged financial statements.

Kay Welding Supplies Ltd
(Registration number: 02553063)
Abridged Balance Sheet as at 31 March 2020

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Approved and authorised by the Board on 2 September 2020 and signed on its behalf by:

.....

Mr GJ Haycock
Director

.....

Mr J Spencer
Company secretary and director

The notes on pages 4 to 10 form an integral part of these abridged financial statements.

Kay Welding Supplies Ltd

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 5 Sutton Oak Drive
Baxter Lane Industrial Estate
St Helens
Merseyside
WA9 3PH

These financial statements were authorised for issue by the Board on 2 September 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These abridged financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These abridged financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	20% reducing balance
Motor vehicles	25% reducing balance
Furniture and fittings	15% reducing balance
Office equipment	20% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 14 (2019 - 15).

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

4 Intangible assets

	Total £
Cost or valuation	
At 1 April 2019	187,800
At 31 March 2020	187,800
Amortisation	
At 1 April 2019	187,800
At 31 March 2020	187,800
Carrying amount	
At 31 March 2020	-

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2019	151,204	60,725	211,929
Additions	22,253	-	22,253
Disposals	-	(8,000)	(8,000)
At 31 March 2020	173,457	52,725	226,182
Depreciation			
At 1 April 2019	110,320	33,608	143,928
Charge for the year	12,014	6,513	18,527
Eliminated on disposal	-	(6,933)	(6,933)
At 31 March 2020	122,334	33,188	155,522
Carrying amount			
At 31 March 2020	51,123	19,537	70,660
At 31 March 2019	40,884	27,117	68,001

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

6 Stocks

	2020 £	2019 £
Finished goods and goods for resale	94,337	109,372

7 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100
B Ordinary of £1 each	100	100	100	100
	200	200	200	200

8 Dividends

Interim dividends paid

	2020 £	2019 £
Interim dividend of £180 (2019 - £495) per each Ordinary	18,000	49,500
Interim dividend of £1,200 (2019 - £232) per each B Ordinary	120,000	23,200
	138,000	72,700

9 Related party transactions

Transactions with directors

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
Mr GJ Haycock				
Mr G J Haycock	(708)	4,401	(4,000)	(306)
Mr J Spencer				
Mr J Spencer	(37)	3,935	(4,000)	(102)

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Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2020

	At 1 April 2018 £	Advances to directors £	Repayments by director £	At 31 March 2019 £
2019				
Mr GJ Haycock				
Mr G J Haycock	(880)	(1,550)	1,722	(708)
Mr J Spencer				
Mr J Spencer	(346)	(1,550)	1,859	(37)

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	17,256	16,848
	2020 £	2019 £
Mr J Spencer		
Mr J Spencer	39,000	30,550
Mr GJ Haycock		
Mr G J Heycock	39,000	30,550

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.