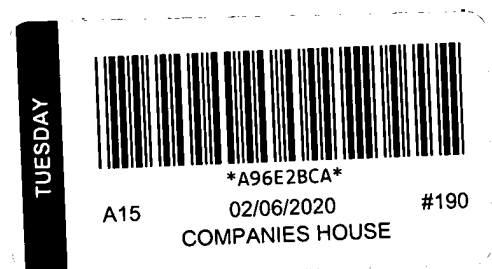


James Kent Consolidated Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

29 December 2019



Company Registration No. 07052616

James Kent Consolidated Limited

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James Kent Consolidated Limited

DIRECTORS AND ADVISORS

DIRECTORS

JMA Fendek
A Fendek
T Mayer
DH Mayer
MK Jones
M Jones

SECRETARY

JMA Fendek

REGISTERED OFFICE

Fountain Street
Fenton
Stoke-on-Trent
Staffordshire
ST4 2HB

AUDITORS

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

BANKERS

National Westminster Bank PLC
1 Upper Market Square
Hanley
Stoke-on-Trent
Staffordshire
ST1 1NS

INSURANCE BROKERS

Clear Insurance Management Ltd
South Lodge
Cranford Manor
Kenilworth Road
Leamington Spa
Warwickshire
CV32 6RG

HSBC Bank plc
2 Etruria
Office Village
Forge Lane
Stoke-on-Trent
Staffordshire
ST1 5RQ

LAWYERS

FBC Manby Bowdler
George House
St John's Square
Wolverhampton
WV2 4BZ

PENSION ADVISORS

Liberty Chartered Financial Planners
Lake View House
Wilton Drive
Warwick
CV34 6RG

James Kent Consolidated Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for James Kent Consolidated Limited for the 364 day period ended 29 December 2019.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The principal activity of the Group is the manufacture and supply of speciality technical glasses, refractory coatings and frits, the development and production of glass ceramics and the manufacture of colour and pigments.

For the first half of 2019 James Kent performed well, we had set the budget to be slightly down on 2018 levels on the advice of our senior customers with the following factors considered:

1. Global downturn in steel requirements
2. Uncertainty with regard to the Brexit situation
3. Strengthening of American sanctions effecting China, Iran and Turkey.
4. We did not anticipate a requirement for nuclear glass in 2019

However Cera Dynamics had another exceptional year with a stronger than expected performance from Nuclear, Dental and Biomin.

KMCI, Martin Colour and P.E.Hines all performed more or less as expected/budgeted during the year

We experienced some stock building (Brexit concerns) by our clients during the year and then a pronounced destocking in the final quarter which caused us to fall slightly short of the prior year turnover and profit.

The combination of the above factors has led to a slight decline in turnover of 2.5% on the prior period. The decline in turnover has mainly been seen in UK market with this representing 33% (30 December 2018: 34%) of turnover and the export market 67% (30 December 2018: 66%). Despite the above matters we have been able to maintain Gross profit margins which has remained at 33% in the period. This together with a review of expenditure and a revised remuneration policy has led to profit before taxation of £1,179,319 (30 December 2018: £1,266,562).

The Group has invested in the future with capital expenditure of £199,001 and research and development spend of £144,393 (30 December 2018: £108,227).

The cash position of the group has decreased in the period by £345,038 to primarily due to continued loan repayment, reducing the groups debt levels and dividend payments in the year. The directors are satisfied with the Group's financial performance.

2020 has started promisingly enough however the full effect of the COVID-19 has yet to be felt and we still await the outcome of Brexit in so far as a trade deal with our European partners is concerned. We remain very confident that the company has strength in depth and in its diversification to weather the circumstances currently being endured and more importantly the ability to quickly recover from the current situation.

RISKS AND UNCERTAINTIES

The board and management of the Group manage the risks and uncertainties facing the Group on a continual basis. The principal risks and uncertainties are considered to be in areas affecting steel supply and demand in new, and traditional markets and the global economy generally which may have an effect on the products and services provided, together with fluctuations in the energy market prices, exchange rates and trading levels of certain key customers.

The Board is of the opinion that there are sufficient controls and procedures in place to monitor, control, and react accordingly to the risks and challenges that are presented and monitor those risks at board meetings.

James Kent Consolidated Limited

STRATEGIC REPORT

FINANCIAL RISKS

The board use management accounts and various financial reports to ensure that the following are reviewed, and they are made aware of any risk arising in any of the following areas:

Price – The board continually monitor prices, taking into account the cost of raw materials and consumables. This ensures that products continue to be competitive in the market.

Credit – Robust credit control procedures are in place to ensure that all amounts due are paid promptly. A dedicated team use systems and procedures to diligently chase all outstanding monies and ensure that no significant bad debts occur.

Liquidity - Due to the nature of the business in which it operates, and prudent history of management, funding has been secured and linked to both trade and asset-base of the Group. The stringent credit control procedures that are employed and the tight management of Group cash flows support this. Appropriate action is taken to minimise risk.

IMPACT OF COVID-19

The Covid-19 pandemic subsequent to the year end has resulted in some challenges to the group, however our principal place of business remains open. We have noted the virus is currently not resulting in a significant impact on our trading levels to date, however we have sensitised our forecasts for the coming period and feel that we have sufficient resources should we see a further drop in trading levels as a result of the economic impact of the virus. The Group is mindful of the welfare of its staff and continues to adhere to all applicable Government guidance.

FUTURE DEVELOPMENTS

The Group will continue to offer the wide range of products and services currently provided to customers. Ways will be looked at to further develop current product ranges so that they may evolve along with customer needs. Investment in research and development ensures new products and initiatives are developed for the different markets the Group caters for.

By order of the board



JMA Fendek
Director

22.5. 2020

James Kent Consolidated Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of James Kent Consolidated Limited for the 364 day period ended 29 December 2019.

The "Review Of Business, Future Developments, Key Performance Indicators, Financial Instruments and Risk and Uncertainties" sections required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity and nature of operations of the Company is to rent the property and provide management services to its subsidiaries. The principal activities and nature of operations of the Group during the period were the manufacture and supply of speciality technical glasses, refractory coatings and frits; the development and production of glass ceramics and the manufacture of colour and pigments.

REVIEW OF THE BUSINESS

The Group's trading profit for the period after taxation, was £985,851 (30 December 2018: £1,041,644). The directors consider that the Group continues to perform at a satisfactory level, given the slowdown in the steel industry.

During the period the Group paid a dividend of £686,924 (30 December 2018: £592,527) leaving a profit retained for the period of £298,927 (30 December 2018: £449,117). The directors propose a dividend post the period end of £110,416 (30 December 2018: £189,010).

RESEARCH AND DEVELOPMENT

Research and Development is considered key to securing long term growth and the Group continues to invest in this area enabling the development of innovative and excellent quality products. Research and Development costs are recorded and expensed through the Statement of Comprehensive Income totalling £147,988 (30 December 2018: £108,227).

DIRECTORS

The directors who held office during the period are shown on page 1.

AUDITORS

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

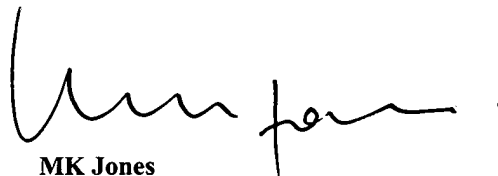
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



JMA Fendek
Director

22nd May 2020



MK Jones
Director

22nd May 2020

James Kent Consolidated Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES KENT CONSOLIDATED LIMITED

Opinion

We have audited the financial statements of James Kent Consolidated Limited (the 'parent company') and its subsidiaries (the 'group') for the 364 day period ended 29 December 2019 which comprise the consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement statements of changes in equity, Company statement of changes in equity, Consolidated statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES KENT CONSOLIDATED LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit Up

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

26 May 2020

James Kent Consolidated Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 364 day period ended 29 December 2019

	Note	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
TURNOVER		7,554,105	7,752,544
Cost of sales		(5,070,051)	(5,191,631)
GROSS PROFIT		2,484,054	2,560,913
Distribution costs		(68,543)	(106,114)
Administrative expenses		(1,143,219)	(1,135,458)
Other income		40,792	56,000
OPERATING PROFIT		1,313,084	1,375,341
Interest receivable and similar income	3	26	2,824
Interest payable and similar expenses	4	(133,791)	(111,603)
PROFIT BEFORE TAXATION		1,179,319	1,266,562
Taxation	9	(193,468)	(224,918)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		985,851	1,041,644

James Kent Consolidated Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 29 December 2019

	Note	At 29 December 2019	At 30 December 2018
		£	£
FIXED ASSETS			
Intangible assets - negative goodwill	11	-	-
- positive goodwill	11	73,180	93,269
- licenses	11	62,610	67,442
Tangible assets	12	3,328,547	3,290,708
Investment	13	190,080	144,720
		<u>3,654,417</u>	<u>3,596,139</u>
CURRENT ASSETS			
Stock	14	881,009	975,353
Debtors	15	836,856	1,042,276
Cash at bank and in hand		988,188	1,342,226
		<u>2,706,053</u>	<u>3,359,855</u>
CREDITORS: Amounts falling due within one year	16	(1,125,298)	(1,879,531)
NET CURRENT ASSETS		<u>1,580,755</u>	<u>1,480,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,235,172</u>	<u>5,076,463</u>
CREDITORS: Amounts falling due after more than one year	17	(788,000)	(932,000)
PROVISIONS FOR LIABILITIES	18	(481,720)	(477,938)
NET ASSETS		<u>3,965,452</u>	<u>3,666,525</u>
CAPITAL AND RESERVES			
Called up share capital	19	320,000	320,000
Revaluation reserve		1,196,192	1,196,660
Profit and loss account		2,449,260	2,149,865
TOTAL EQUITY		<u>3,965,452</u>	<u>3,666,525</u>

The financial statements on pages 8 to 36 were approved by the board and authorised for issue on 22 May 2020 and are signed on its behalf by:


JMA Fendek
Director


MK Jones
Director

Company Registration No. 07052616

James Kent Consolidated Limited
COMPANY STATEMENT OF FINANCIAL POSITION
as at 29 December 2019

	Note	At 29 December 2019		At 30 December 2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		116,450		122,027
Tangible assets	12		2,890,844		2,796,985
Investments	13		1,806,923		1,761,564
			<u>4,814,217</u>		<u>4,680,576</u>
CURRENT ASSETS					
Stock	14		-		-
Debtors	15		123,663		116,167
Cash at bank and in hand			249,160		329,282
			<u>372,823</u>		<u>445,449</u>
CREDITORS: Amounts falling due within one year	16		(644,842)		(774,769)
NET CURRENT LIABILITIES			<u>(272,020)</u>		<u>(329,320)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,542,197		4,351,256
CREDITORS: Amounts falling due after more than one year	17		(788,000)		(932,000)
PROVISIONS FOR LIABILITIES	18		(285,245)		(272,096)
NET ASSETS			<u>3,468,953</u>		<u>3,147,160</u>
CAPITAL AND RESERVES					
Called up share capital	19		320,000		320,000
Revaluation reserve			283,025		290,734
Profit and loss account			2,865,928		2,536,426
TOTAL EQUITY			<u>3,468,953</u>		<u>3,147,160</u>


The Company's profit for the year and total comprehensive income for the period was £1,008,717 (30 December 2018: £386,481).

The financial statements on pages 8 to 36 were approved by the board and authorised for issue on 22nd May 2020 and are signed on its behalf by:



JMA Fendek
Director

MK Jones
Director



Company Registration No. 07052616

James Kent Consolidated Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 364 day period ended 29 December 2019

	Note	Share Capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 January 2018		320,000	1,197,128	1,700,280	3,217,408
Profit for the period		-	-	1,041,644	1,041,644
Total comprehensive income for the period		-	-	1,041,644	1,041,644
Reserve transfer		-	(468)	468	-
<i>Transactions with owners</i>					
Dividends	10	-	-	(592,527)	(592,527)
Total transactions with owners		-	-	(592,527)	(592,527)
Balance at 30 December 2018		320,000	1,196,660	2,149,865	3,666,525
Profit for the period		-	-	985,851	985,851
Total comprehensive income for the period		-	-	985,851	985,851
Reserve transfer		-	(468)	468	-
<i>Transactions with owners</i>					
Dividends	10	-	-	(686,924)	(686,924)
Total transactions with owners		-	-	(686,924)	(686,924)
Balance at 29 December 2019		320,000	1,196,192	2,449,260	3,965,452

James Kent Consolidated Limited
COMPANY STATEMENT OF CHANGES IN EQUITY
for the 364 day period ended 29 December 2019

	Note	Share Capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 January 2018		320,000	298,443	2,734,763	3,353,206
Profit for the period		-	-	386,481	386,481
Total comprehensive income for the period		-	-	386,481	386,481
Reserve transfer		-	(7,709)	7,709	-
<i>Transactions with owners</i>					
Dividends	10	-	-	(592,527)	(592,527)
Total transactions with owners		-	-	(592,527)	(592,527)
Balance at 30 December 2018		320,000	290,734	2,536,426	3,147,160
Profit for the period		-	-	1,008,717	1,008,717
Total comprehensive income for the period		-	-	1,008,717	1,008,717
Reserve transfer		-	(7,709)	7,709	-
<i>Transactions with owners</i>					
Dividends	10	-	-	(686,924)	(686,924)
Total transactions with owners		-	-	(686,924)	(686,924)
Balance at 29 December 2019		320,000	283,025	2,865,928	3,468,953

James Kent Consolidated Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
at 29 December 2019

	Note	2019	2018
		£	£
OPERATING ACTIVITIES			
Cash generated from operations	21	1,670,845	1,700,095
Interest received		26	2,824
Interest paid		(133,791)	(111,603)
Income taxes paid		(269,488)	(198,626)
		<u> </u>	<u> </u>
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,267,592	1,392,690
INVESTING ACTIVITIES			
Deferred consideration on prior acquisitions		(23,943)	(201,694)
Purchase of Investments		(45,360)	(135,000)
Purchase of intangible assets		(2,470)	(70,992)
Purchase of tangible fixed assets		(199,001)	(17,471)
Proceeds on disposal of tangible fixed assets		787	23,501
		<u> </u>	<u> </u>
NET CASH USED IN INVESTING ACTIVITIES		(269,987)	(401,656)
FINANCING ACTIVITIES			
Dividends paid		(686,924)	(592,527)
Proceeds of new borrowings		-	250,000
Repayment of borrowings		(169,000)	(181,944)
Repayment of obligations under finance leases		(38,686)	(8,037)
Net movement in invoice discounting creditor		(457,033)	52,450
		<u> </u>	<u> </u>
NET CASH USED IN FINANCING ACTIVITIES		(1,351,643)	(480,058)
		<u> </u>	<u> </u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(354,038)	510,976
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT START OF YEAR		1,342,226	831,250
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		988,188	1,342,226
		<u> </u>	<u> </u>

James Kent Consolidated Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

James Kent Consolidated Limited ("the Company") is a private Company limited by shares, 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 Group consists of James Kent Consolidated Limited and all of its subsidiaries.

The Company's and the Group's principal activities are included in the directors' report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 including the provisions of the Large and Medium Sized Companies and Group (Accounts and Reports) Regulations 2008, and under the historical cost convention modified to include the revaluation of freehold properties.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of James Kent Consolidated Limited and its subsidiary undertakings. Subsidiaries acquired are consolidated using the purchase method and their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in the subsidiary and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is capitalised as purchased goodwill or negative goodwill and amortised through the profit and loss account over its estimated economic life or matched to the life of the assets where it relates to negative goodwill. Provision is made for any impairment. All subsidiaries have period ends of 29 December 2019.

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

REDUCED DISCLOSURES – COMPANY ONLY

The company has taken advantage of the exemptions from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:-

- 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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

James Kent Consolidated Limited

ACCOUNTING POLICIES

GOING CONCERN

The Group meets its day-to-day working capital requirements through an invoice discounting facility that was agreed on October 2011 and thereafter was on a rolling basis with three months' notice together with its existing cash reserves and banking facilities.

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 is able to operate within the current level of the invoice discounting facility and bank facilities. The forecasts and projections utilised have accounted for potential reductions in trade and cashflows as a result of the covid-19 pandemic. While the actual impact on trade is difficult to predict we have also stress tested these cashflows along with reviewing discretionary spend to ensure the current financing facilities remain sufficient.

The directors, having assessed the forecasts and information available have determined it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost 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 off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Land and buildings are accounted for separately even when acquired together.

Freehold buildings	-	2.5% per annum
Plant and machinery	-	10% per annum on cost
Fixtures, fittings, tools and equipment	-	25% per annum on cost
Adaptation costs	-	5% per annum

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.

INTANGIBLE FIXED ASSETS – GOODWILL

Goodwill is capitalised and written off evenly over 5-10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. Amortisation is included within Administration expenses.

James Kent Consolidated Limited

ACCOUNTING POLICIES

INTANGIBLE FIXED ASSETS – GOODWILL (continued)

Negative goodwill arises when the cost of a business combination is less than that of the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit of 8 years.

Other intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Licenses	-	10% per annum straight line
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Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

INVESTMENTS

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately 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 Group 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.

LEASED ASSETS AND OBLIGATIONS

All leases are “operating leases” and the annual rentals are charged to the statement of comprehensive income on a straight line basis over the lease term.

PENSION COSTS

The Group operates a defined contribution scheme. The amount charged to the statement of comprehensive income 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 statement of financial position.

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.

James Kent Consolidated Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES (Continued)

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, 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.

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.

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 Group 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.

RESEARCH AND DEVELOPMENT

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

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

James Kent Consolidated Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Group 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 Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group 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, group and other debtors

Trade, group and other debtors (including accrued income) 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 Group after deducting all of its liabilities.

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, group and other creditors

Trade, group and other creditors (including accruals) 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.

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.

Deferred consideration

Deferred consideration relates to amounts due on former acquisitions payable by the Group to third parties on an agreed basis.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year is disclosed on the company's Statement of Financial Position.

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 Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

1 ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The directors consider that accounting estimates and assumptions made do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The realisable value of stock is calculated using long established and well tested methodologies that take into account the changes in market dynamics, expected obsolescence, technical upgrades and disposal costs.

The land and buildings are valued at the open market value of the freehold interest, free from encumbrance. This estimate is based on the market knowledge of the valuer at the date of valuation and may be impacted by local market conditions and demand for such properties.

The investments held are assessed for impairment where there is an indicator of impairment each year. The assessment of impairment takes into consideration factors such as the recent prices paid for shares in the investment by third parties and trading activity against performance.

2 TURNOVER

An analysis of the Group's turnover by class of business is as follows:

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Sale of goods	7,554,105	7,752,344

An analysis of the geographical location of the Group's turnover is as follows:

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
United Kingdom	2,511,306	2,658,431
Rest of the World	5,042,799	5,093,913
	7,554,105	7,752,344

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Bank interest	26	26
Foreign exchange gains	-	2,798
	<u>26</u>	<u>2,824</u>

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
On bank loans and overdrafts	20,500	27,956
Invoice discounting charges	10,155	12,917
Foreign exchange losses	26,371	3,549
On directors' loan accounts	76,765	67,181
	<u>133,791</u>	<u>111,603</u>

5 EMPLOYEES

The average number of persons employed by the Group during the period (including directors) were as follows:

	364 day period ended 29 December 2019 Number	364 day period ended 30 December 2018 Number
Production	35	35
Administration	14	14
Directors	6	6
	<u>55</u>	<u>55</u>

The average number of persons employed by the Company during the period (including directors) was 11 (30 December 2018: 11).

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

5 EMPLOYEES (continued)

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Staff costs for the above persons:				
Wages and salaries	1,269,318	1,133,716	154,448	120,396
Social security costs	212,509	188,871	16,010	7,182
Other pension costs	449,497	431,515	264,046	269,422
	<u>1,931,324</u>	<u>1,754,102</u>	<u>434,504</u>	<u>397,000</u>

6 DIRECTORS' REMUNERATION

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Emoluments	79,340	72,820
Contributions to money purchase pension schemes	161,428	178,371
	<u>240,768</u>	<u>251,191</u>
	364 day period ended 29 December 2019 Number	364 day period ended 30 December 2018 Number
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension schemes	<u>6</u>	<u>5</u>

7 PENSION COMMITMENTS

The Group contributes to employees' personal pension plans whose assets are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group and amounted to £449,497 (30 December 2018: £431,515). Included in accruals are contributions of £36,123 payable to plans at the period end (30 December 2018: £35,739).

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 29 December 2019

8 PROFIT BEFORE TAXATION

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Profit before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
Owned	160,625	156,365
Held under finance lease	-	1,610
Amortisation of intangible fixed assets	7,302	3,550
Amortisation of goodwill	30,744	30,734
Profit on disposal of tangible fixed assets	(250)	(5,068)
Research and development expenditure	144,393	108,277
Exchange losses/(gains)	26,371	(2,798)
Operating lease rentals	46,229	56,285
Auditors' remuneration – audit services	26,500	25,425
	<hr/>	<hr/>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 29 December 2019

9 TAXATION

	364 day period ended 29 December 2019 £	364 day period ended 30 December 2018 £
Current tax:		
UK corporation tax on profits of the period	192,847	238,189
Adjustments in respect of prior periods	(3,161)	-
Total current tax	189,686	238,189
Deferred tax:		
Origination and reversal of timing differences	5,717	(13,271)
Adjustments in respect of prior periods	(1,935)	-
Total deferred taxation	3,782	(13,271)
Tax on profit	193,468	224,918
	2019	2018
Factors affecting tax charge for the year:	£000	£000
The tax assessed for the year is lower (2018: lower) than the average standard rate of corporation tax in the UK_19% (2018: 19%). The differences are explained below:		
Profit before tax	1,179,319	1,266,562
Profit before tax multiplied by the average standard rate of corporation tax in the UK 19% (2018: 19%)	224,071	240,647
<i>Effects of:</i>		
Expenses not deductible in determining taxable profit	2,495	4,232
Rate difference on deferred tax	(1,637)	(5,839)
Research and development relief	(36,572)	(22,883)
Adjustments in respect of previous periods	(5,096)	-
Other timing differences	10,207	8,761
Tax expense	193,468	224,918

10 DIVIDENDS

Dividends amounting to £686,924 were paid in the year at 214.7p per share and (30 December 2018: £592,527 were paid in the year at 185.2p per share).

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 29 December 2019

11 INTANGIBLE FIXED ASSETS

GROUP	Positive goodwill £	Negative goodwill £	Licenses £
<i>Cost</i>			
At beginning of period	259,411	(107,427)	70,992
Additions	10,655	-	2,470
	<u> </u>	<u> </u>	<u> </u>
At end of period	270,066	(107,427)	73,462
	<u> </u>	<u> </u>	<u> </u>
<i>Amortisation</i>			
At beginning of period	166,142	(107,427)	3,550
Charge in the period	30,744	-	7,302
	<u> </u>	<u> </u>	<u> </u>
At end of period	196,886	(107,427)	10,852
	<u> </u>	<u> </u>	<u> </u>
<i>Carrying amount</i>			
At 29 December 2019	73,180	-	62,610
	<u> </u>	<u> </u>	<u> </u>
At 30 December 2018	93,269	-	67,442
	<u> </u>	<u> </u>	<u> </u>

The directors consider the economic life of the positive goodwill arising on acquisition to be 5-10 years.

The addition in the year relates to the additional deferred consideration for the acquisition of Martin Colour Limited

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

11 INTANGIBLE FIXED ASSETS (continued)

COMPANY	Positive goodwill £	Licenses £	Total £
<i>Cost</i>			
At beginning of period	65,975	70,992	136,967
Additions	10,655	2,470	13,125
	<u>76,630</u>	<u>73,462</u>	<u>150,092</u>
<i>Amortisation</i>			
At beginning of period	11,390	3,550	14,940
Charge in the period	11,400	7,302	18,702
	<u>22,790</u>	<u>10,852</u>	<u>33,642</u>
<i>Carrying amount</i>			
At 29 December 2019	53,840	62,610	116,450
	<u>54,585</u>	<u>67,442</u>	<u>122,027</u>
At 30 December 2018			

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

12 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £	Adaptation costs £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost or valuation</i>					
At beginning of period					
- Cost	756,040	323,960	1,556,088	63,440	2,699,528
- Valuation	1,870,000	-	-	-	1,870,000
Additions	96,687	-	52,894	49,420	199,001
Disposals	-	-	(833)	-	(833)
At end of period	2,722,727	323,960	1,608,149	112,860	4,767,696
COST	852,727	323,960	1,608,149	112,860	2,897,696
VALUATION	1,870,000	-	-	-	1,870,000
<i>Depreciation</i>					
At beginning of period	123,609	95,612	1,001,494	58,105	1,278,820
Charged in the period	38,298	16,019	100,479	5,829	160,625
On disposals	-	-	(296)	-	(296)
At end of period	161,907	111,631	1,101,677	63,934	1,439,149
<i>Carrying amount</i>					
At 29 December 2019	2,560,820	212,329	506,472	48,926	3,328,547
At 30 December 2018	2,502,431	228,348	554,594	5,335	3,290,708

Included in freehold land and buildings is £1,146,872 (30 December 2018: £1,146,872) which relates to land and is not depreciated.

Adaptation costs have been separately classified in the notes to the financial statements. These adaptation costs relate to specialised work in respect of the freehold buildings required for the specific purpose of the trade of the business, in particular in respect of the Grinding Mill and Electric Melting utilised in the trade.

The net book value of plant and machinery includes £nil (30 December 2018: £48,468) in respect of assets held under finance leases and hire purchase contracts.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

12 TANGIBLE FIXED ASSETS (continued)

Particulars relating to revalued assets are given below:	At 29 December 2019 £	At 30 December 2018 £
LAND AND BUILDINGS		
Historical cost of revalued assets	751,952	751,952
Aggregate depreciation based on historical cost	(192,018)	(173,220)
	<hr/>	<hr/>
Historical cost net book value	559,934	578,732
	<hr/>	<hr/>

On 18 November 2018 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 £2,550,000. The valuation had been carried out in accordance with the guidance notes issued by The Royal Institute of Chartered Surveyors for Asset Valuations.

The directors have taken the decision not to increase the carrying value of the property to the updated valuation as the carrying value is still deemed to be the most appropriate by management.

COMPANY	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At beginning of period	2,485,285	597,326	26,868	3,109,479
Additions	96,687	52,906	49,416	199,009
Disposals	-	(833)	-	(833)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,581,972	649,399	76,284	3,307,655
	<hr/>	<hr/>	<hr/>	<hr/>
COST	843,347	649,399	76,284	1,569,030
VALUATION	1,738,625	-	-	1,738,625
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	106,018	183,904	22,572	312,494
Charge for the period	34,789	63,999	5,825	104,613
Disposals	-	(296)	-	(296)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	140,807	247,607	28,397	416,811
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Carrying amount</i>				
At 29 December 2019	2,441,165	401,792	47,887	2,890,844
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2018	2,379,267	413,422	4,296	2,796,985
	<hr/>	<hr/>	<hr/>	<hr/>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

12 TANGIBLE FIXED ASSETS (continued)

On 18 November 2018 the investment property of the James Kent Consolidated Limited Group was revalued by the 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 £2,550,000. The valuation has 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 £2,550,000; £2,409,245 has been allocated to James Kent Consolidated Limited being the estimated value of the property held in this Company. The directors have reassessed this position and consider the value continues to be appropriate.

The directors have taken the decision not to increase the carrying value of the property to the updated valuation as the carrying value is still deemed to be the best estimated value of the property held by the Company.

Particulars relating to revalued assets are given below:	29 December 2019 £	30 December 2018 £
LAND AND BUILDINGS		
Historical cost of revalued assets	1,420,896	1,420,896
Aggregate depreciation based on historical cost	(61,798)	(54,948)
	<hr/>	<hr/>
Historical cost net book value	1,359,098	1,365,948
	<hr/>	<hr/>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

13 INVESTMENTS

GROUP	Other investments £
At beginning of period	144,720
Additions	45,360
	<hr/>
At end of period	190,080
	<hr/>
<i>Impairment</i>	
At beginning and end of period	-
	<hr/>
<i>Carrying amount</i>	
At end of period	190,080
	<hr/>
At beginning of period	144,720
	<hr/>

The addition in the year relates to the acquisition of additional shares in Biomin Technologies Limited

COMPANY	Shares in subsidiary undertakings £	Investments £	Total £
<i>Cost</i>			
At beginning of period	1,695,844	144,720	1,840,564
Additions	-	45,360	45,360
	<hr/>	<hr/>	<hr/>
At end of period	1,695,844	190,080	1,855,924
	<hr/>	<hr/>	<hr/>
<i>Impairment</i>			
At beginning and end of period	79,000	-	79,000
	<hr/>	<hr/>	<hr/>
<i>Carrying amount</i>			
At end of period	1,616,844	190,080	1,806,924
	<hr/>	<hr/>	<hr/>
At beginning of period	1,616,844	144,720	1,761,564
	<hr/>	<hr/>	<hr/>

The addition in the year relates to the acquisition of additional shares in Biomin Technologies Limited.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

13 INVESTMENTS (Continued)

The Company holds more than 20% of the equity of the following subsidiary undertakings and associated company:

	<i>Class of holding</i>	<i>Percentage</i>	<i>Principal activity</i>
James Kent (Ceramic Materials) Limited	Ordinary	100%	Manufacture and supply of speciality technical glasses, refractory coatings and frits.
Cera Dynamics Limited	Ordinary	100%	Development and production of glass ceramics and technical glasses.
KMCI limited	Ordinary	100%	A general commercial Company and manufacturer of colours and pigments.
Martin Colour Company Limited	Ordinary	100%	A supplier of ceramic colours and colouring oxides
James Kent Group Limited	Ordinary	100%	Dormant
PE Hines Limited	Ordinary	100%	A supplier of raw materials for the ceramic, paint and construction industries

The registered address of the subsidiary entities is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

14 STOCKS

	GROUP		COMPANY	
	29	30	29	30
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
Raw materials	234,143	215,587	-	-
Work in progress	39,067	35,323	-	-
Finished goods	607,800	724,443	-	-
	881,010	975,353	-	-

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

15 DEBTORS

	GROUP		COMPANY	
	29	30	29	30
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
<i>Amounts due in less than one year:</i>				
Trade debtors	681,054	898,608	2,520	-
Amounts due from Group companies	-	-	111,668	110,843
Other debtors	88,609	45,142	9,475	2,852
Prepayments	67,193	98,526	-	2,472
	<u>836,856</u>	<u>1,042,276</u>	<u>123,663</u>	<u>116,167</u>

16 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	29	30	29	30
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
Bank loan (see note 17)	168,167	173,167	168,167	168,167
Trade creditors	248,620	394,113	9,853	-
Amounts owed to Group undertakings	-	-	130,821	301,122
Amounts due to invoice discounter	113,564	570,597	-	-
Other taxation and social security costs	46,731	42,660	-	1,360
Corporation tax	64,733	144,535	13,114	4,428
Other creditors	61,285	107,717	4,755	21,425
Accruals and deferred income	143,415	181,743	39,349	13,268
Deferred consideration	12,469	25,757	12,469	25,757
Directors' loans	266,314	200,556	266,314	200,556
Obligations under finance leases	-	38,686	-	38,686
	<u>1,125,298</u>	<u>1,879,531</u>	<u>644,842</u>	<u>774,769</u>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

17 CREDITORS: Amounts falling due after more than one year

	GROUP		COMPANY	
	29	30	29	30
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
Bank loans	336,986	500,986	336,986	500,986
Directors loans	451,014	431,014	451,014	431,014
	788,000	932,000	788,000	932,000

The bank loans are repayable on a monthly basis and incur interest at rates of 2% and 2.43% above base rate. The base rate at the period end was 0.75%. The bank loans are repayable in March 2019, April 2023 and March 2024.

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 Group (including land); and a first legal charge on the freehold and leasehold properties of the Group not effectively mortgaged, all fixtures and fittings and all fixed plant and machinery.

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

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

HSBC Bank plc also has a charge over contract monies.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 29 December 2019

18 PROVISION FOR LIABILITIES

GROUP	Deferred taxation £
At beginning of period	477,938
Charge in period	3,782
At end of period	481,720

Deferred taxation is disclosed in the financial statements as follows:

	29 December 2019 £	30 December 2018 £
Provisions for liabilities	(481,720)	(477,938)

The amounts provided and unprovided for deferred taxation are set out below:

	29 December 2019		30 December 2018	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	314,724	-	310,876	-
Valuation of land and buildings	173,137	-	173,137	-
Other timing differences	(6,141)	(24,528)	(6,075)	(24,528)
	481,720	(24,538)	477,938	(24,528)

The deferred tax asset of £24,528 (30 December 2018: £24,528) is not recognised due to uncertainty over the timing of its recovery.

COMPANY	Deferred taxation £
At beginning of period	272,096
Charge in period	13,149
At end of period	285,245

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 29 December 2019

18 PROVISION FOR LIABILITIES (continued)

The amounts provided and unprovided for deferred taxation are set out below:

	29 December 2019		30 December 2018	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances	198,577	-	185,428	-
Valuation of land and buildings	86,668	-	86,668	-
Other timing differences	-	(24,528)	-	(24,528)
	<u>285,245</u>	<u>(24,528)</u>	<u>272,096</u>	<u>(24,528)</u>

The deferred tax asset of £24,528 (30 December 2018: £24,528) is not recognised in the accounts due to uncertainty over the timing of when it will be recovered.

19 CALLED UP SHARE CAPITAL

	At 29 December 2019 £	At 30 December 2018 £
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>

The A, B and C ordinary shares have different rights attaching as detailed in the Articles of Association.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

20 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

GROUP	At 29 December 2019 £	At 30 December 2018 £
Amounts due:		
Within one year	54,296	20,063
In the second to fifth years inclusive	88,772	26,905
	<u>143,068</u>	<u>46,968</u>

21	a) RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS	2019 £000	2018 £000
	Profit after tax	985,851	1,041,644
	Depreciation of tangible fixed assets	160,625	157,957
	Amortisation of intangible fixed assets	38,046	34,284
	Profit on disposal of fixed assets	(250)	(5,068)
	Interest receivable and similar income	(26)	(2,824)
	Interest payable and similar expenses	133,791	111,603
	Taxation	193,468	224,918
	Operating cash flows before movement in working capital	<u>1,511,505</u>	<u>1,562,514</u>
	Decrease/(increase) in stocks	94,344	(120,309)
	Decrease in debtors	205,420	41,901
	(Decrease)/increase in creditors	<u>(140,424)</u>	<u>215,989</u>
	CASH GENERATED FROM OPERATIONS	<u>1,670,845</u>	<u>1,700,095</u>

b) CONSOLIDATED ANALYSIS OF CHANGES IN NET DEBT

	At 30 December 2018 £	Cash flow £	Other non- cash changes £	At 29 December 2019 £
<i>Assets:</i>				
Cash at bank	1,342,226	(354,038)	-	988,188
<i>Liabilities:</i>				
Bank loans due within one year	(173,167)	169,000	(164,000)	(168,167)
Amounts due to invoice discounter	(570,597)	457,033	-	(113,564)
Bank loans due after one year	(500,986)	-	164,000	(336,986)
NET FUNDS	<u>97,476</u>	<u>271,995</u>	<u>-</u>	<u>369,471</u>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 29 December 2019

22 CONTINGENT LIABILITIES

Company

The Company is a members of a VAT Group. At 29 December 2019 the VAT exposure of the VAT Group excluding that of the Company was £74,860 (30 December 2018: £99,271).

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 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, Martin Colour Company Limited, P.E. Hines Limited and James Kent Group Limited. At the period end this was £nil (30 December 2018: £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. HSBC Bank plc also has a charge over contract monies.

The Company has signed a multilateral cross guarantee to secure the bank indebtedness with HSBC Bank Plc with KMCI Limited, James Kent Consolidated, Cera Dynamics Limited, James Kent Group Limited, Martin Colour Company Limited and P.E. Hines Limited. The exposure at the period end was £nil (30 December 2018: £74,188).

23 RELATED PARTY TRANSACTIONS

The following directors and shareholders of the Company have loaned money to the Company and Group during the period. The amount outstanding at 29 December 2019 is:

	As at 30 December 2018 £	Maximum Amount £	As at 29 December 2019 £
Directors loan accounts	631,570	717,328	717,328

Interest is levied on these loans at a rate of 10% on short term loans and 12% on long term loans resulting in a charge of £76,765 (30 December 2018: £67,181).

The company purchased services from close family members of a director. These transactions totalled £650 (30 December 2018: £770) and there was no outstanding balance at the year end (30 December 2018: £nil). During the period the Company became a director in another Company. The group made sales to this company in the period amounting to £266,261 and the Company made an admin recharge of £24,920. The total amount due to the Company and Group at the period end was £38,787, of which £2,520 was owed to the Company. In addition the Company acquired share capital in the entity of £45,360 during the period.

24 CONTROLLING PARTY

There is no ultimate controlling party.