

Company Registration No. 07448199 (England and Wales)

Kengate Holdings Limited
Financial Statements
For The Year Ended 31 December 2017

KENGATE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr D M Clough Mr D A McCartney
Secretary	Mr D A McCartney
Company number	07448199
Registered office	Rake Lane PO Box 4 Clifton Junction Manchester M27 8LP
Auditors	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY

KENGATE HOLDINGS LIMITED

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KENGATE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	4		109,070		143,078
Tangible assets	5		687,912		769,385
Investments	6		142,464		142,464
			<u>939,446</u>		<u>1,054,927</u>
Current assets		-		-	
Creditors: amounts falling due within one year	7	(150,109)		(253,543)	
Net current liabilities			<u>(150,109)</u>		<u>(253,543)</u>
Total assets less current liabilities			<u>789,337</u>		<u>801,384</u>
Provisions for liabilities	8		<u>(71,000)</u>		<u>(82,500)</u>
Net assets			<u><u>718,337</u></u>		<u><u>718,884</u></u>
Capital and reserves					
Called up share capital			1,040,000		1,040,000
Profit and loss reserves			<u>(321,663)</u>		<u>(321,116)</u>
Total equity			<u><u>718,337</u></u>		<u><u>718,884</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 9 July 2018 and are signed on its behalf by:

Mr D M Clough
Director

Company Registration No. 07448199

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Kengate Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited which is the smallest and largest group into which these financial statements are consolidated. A. Andrews & Sons (Marbles & Tiles) Limited has a registered office of 324-330 Meanwood Road, Leeds, LS7 2JE.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the management of fixed assets provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	7.5% Straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Employees

The company has no employees other than the directors.

3 Dividends

	2017 £	2016 £
Final paid	-	135,000
Ordinary interim paid	291,100	51,375
	<u>291,100</u>	<u>186,375</u>

During the year the company paid unlawful dividends, as the dividends amount exceeded the available distributable reserves. The shareholders are aware that there is a possibility that the dividends may be repayable if the profit and loss reserves do not return to a positive position.

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	<u>143,078</u>
Amortisation and impairment	
At 1 January 2017	-
Amortisation charged for the year	<u>34,008</u>
At 31 December 2017	<u>34,008</u>
Carrying amount	
At 31 December 2017	<u>109,070</u>
At 31 December 2016	<u>143,078</u>

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017 and 31 December 2017	769,385
Depreciation and impairment	
At 1 January 2017	-
Depreciation charged in the year	81,473
At 31 December 2017	81,473
Carrying amount	
At 31 December 2017	687,912
At 31 December 2016	769,385

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts, with the liability recognised within the subsidiary undertaking Quiligotti Terrazzo Tiles Limited.

	2017 £	2016 £
Plant and machinery	348,427	381,164
Depreciation charge for the year in respect of leased assets	32,737	32,737

6 Fixed asset investments

	2017 £	2016 £
Investments	142,464	142,464

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	142,464
Carrying amount	
At 31 December 2017	142,464
At 31 December 2016	142,464

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts due to group undertakings	138,062	253,543
Corporation tax	12,047	-
	<u>150,109</u>	<u>253,543</u>

8 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	71,000	82,500
	<u>71,000</u>	<u>82,500</u>

9 Financial commitments, guarantees and contingent liabilities

The company also has a fixed charge over assets held for which the loan is recognised by a subsidiary undertaking amounting to £nil (2016 - £44,060).

10 Related party transactions

The company also has a fixed charge over assets held for which the loan is recognised by Quiligotti Terrazzo Tiles Limited, a subsidiary undertaking, amounting to £nil (2016 - £44,060).

11 Parent company

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited, a company incorporated in England and Wales with registered office 324-330 Meanwood Road, Leeds, LS7 2JE. A. Andrews & Sons (Marbles & Tiles) Limited is the smallest and largest group into which the company is consolidated.

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
QTL Holdings Limited	England and Wales	Dormant	Ordinary	100.00	
Quiligotti Terrazzo Tiles Limited	England and Wales	Manufacture of terrazzo flooring	Ordinary	100.00	

Quiligotti Terrazzo Tiles Limited is a wholly owned subsidiary of QTL Holdings Limited.

The registered office address of all the above subsidiaries is Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

KENGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Matthew Grant.
The auditor was Garbutt & Elliott Audit Limited.
The audit report was signed on 18 July 2018

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.