

KEY-TECH (SCOTLAND) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017
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KEY-TECH (SCOTLAND) LIMITED

Company Information

Directors	Mr D J Weir Mr J Spence
Secretary	CCW Secretaries Limited
Company number	SC171778
Registered office	Crescent House Carnegie Campus Dunfermline Fife KY11 8GR
Auditor	Condie & Co 10 Abbey Park Place Dunfermline Fife KY12 7NZ
Bankers	Royal Bank of Scotland 23/25 Rosslyn Street Kirkcaldy Fife KY1 3HW
Solicitors	CCW LLP Crescent House Carnegie Campus Dunfermline Fife KY11 8GR

KEY-TECH (SCOTLAND) LIMITED

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KEY-TECH (SCOTLAND) LIMITED

Statement Of Financial Position

As At 30 April 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		259,471		364,032
Current assets					
Stocks		178,367		86,158	
Debtors	4	2,213,832		1,753,369	
Other assets	6	-		406,772	
Cash at bank and in hand		80,733		45,550	
		2,472,932		2,291,849	
Creditors: amounts falling due within one year	6	(1,224,243)		(1,244,759)	
Net current assets			1,248,689		1,047,090
Total assets less current liabilities			1,508,160		1,411,122
Creditors: amounts falling due after more than one year	7		(141,964)		-
Provisions for liabilities			(48,149)		(93,759)
Net assets			1,318,047		1,317,363
Capital and reserves					
Called up share capital	8		51,189		51,189
Share premium account			11,664		11,664
Profit and loss reserves			1,255,194		1,254,510
Total equity			1,318,047		1,317,363

The directors of the company have elected not to include a copy of the income statement 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 16 January 2018 and are signed on its behalf by:

Mr J Spence
Director



Company Registration No. SC171778

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements

For The Year Ended 30 April 2017

1 Accounting policies

Company information

Key-Tech (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is Crescent House, Carnegie Campus, Dunfermline, Fife, KY11 8GR.

1.1 Accounting convention

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") 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 £.

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

These financial statements for the year ended 30 April 2017 are the first financial statements of Key-Tech (Scotland) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are measured at cost, 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:

Leasehold improvements	7.7% straight line
Plant and machinery	20% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Motor vehicles	25% straight line

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.

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

1 Accounting policies

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

1.8 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.

1.9 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 income statement 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.

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

1 Accounting policies

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 income statement, 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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

1 Accounting policies

1.14 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 52 (2016 - 56).

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

3 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 2016	216,814	1,214,742	18,479	18,329	43,880	1,512,244
Additions	-	1,572	-	1,891	-	3,463
At 30 April 2017	216,814	1,216,314	18,479	20,220	43,880	1,515,707
Depreciation and impairment						
At 1 May 2016	119,327	956,694	14,852	15,406	41,933	1,148,212
Depreciation charged in the year	16,608	87,168	1,915	2,333	-	108,024
At 30 April 2017	135,935	1,043,862	16,767	17,739	41,933	1,256,236
Carrying amount						
At 30 April 2017	80,879	172,452	1,712	2,481	1,947	259,471
At 30 April 2016	97,487	258,048	3,627	2,923	1,947	364,032

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

3 Tangible fixed assets

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	145,833	364,032
	<u>145,833</u>	<u>364,032</u>
Depreciation charge for the year in respect of leased assets	<u>50,000</u>	<u>54,166</u>

Assets with a carrying amount of £259,471 (2016 - £364,032) have been pledged to secure borrowings of the company.

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	841,857	637,437
Corporation tax recoverable	-	33,184
Amounts due from group undertakings	1,364,848	1,082,348
Other debtors	7,127	400
	<u>2,213,832</u>	<u>1,753,369</u>

5 Other assets

At the 30th April 2017 the company had assets totalling £Nil (2016 - £406,772) held for sale.

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	252,014	133,913
Trade creditors	413,494	349,805
Other taxation and social security	96,902	85,639
Other creditors	461,833	675,402
	<u>1,224,243</u>	<u>1,244,759</u>

The Royal Bank of Scotland plc holds a bond and floating charge dated 11 August 2000 and 12 May 2005 over all the assets of the company.

KEY-TECH (SCOTLAND) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 30 April 2017

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	141,964	-

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Authorised		
50,000 Ordinary A of £1 each	50,000	50,000
50,000 Ordinary B of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>
Issued and fully paid		
50,000 Ordinary A of £1 each	50,000	50,000
1,189 Ordinary B of £1 each	1,189	1,189
	<u>51,189</u>	<u>51,189</u>

The holders of A ordinary shares have voting rights and are entitled to a dividend as and when declared by the board of directors. The holders of the B shares have no voting rights however they are entitled to a dividend as and when declared by the board of directors.

The value of dividend paid per share may differ per respective classes and is at the discretion of the board of directors.

9 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 Sharon Collins.

The auditor was Condie & Co.

10 Directors' transactions

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr J Spence and Mr D J Weir Loan	3,072	3,072	(3,072)	3,072
	<u>3,072</u>	<u>3,072</u>	<u>(3,072)</u>	<u>3,072</u>

The loan is due to the company's directors, is interest free and repayable on demand.