

Company Registration No. SC171778 (Scotland)

**KEY-TECH (SCOTLAND) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2019**

**PAGES FOR FILING WITH REGISTRAR**

# KEY-TECH (SCOTLAND) LIMITED

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# KEY-TECH (SCOTLAND) LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	4		313,626		414,102
<b>Current assets</b>					
Stocks		469,659		250,158	
Debtors	5	2,291,378		2,234,026	
Cash at bank and in hand		35,464		121,896	
		<u>2,796,501</u>		<u>2,606,080</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,403,876)</u>		<u>(1,306,943)</u>	
<b>Net current assets</b>			1,392,625		1,299,137
<b>Total assets less current liabilities</b>			<u>1,706,251</u>		<u>1,713,239</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(251,727)		(378,032)
<b>Provisions for liabilities</b>			<u>(60,557)</u>		<u>(76,274)</u>
<b>Net assets</b>			<u>1,393,967</u>		<u>1,258,933</u>
<b>Capital and reserves</b>					
Called up share capital	8		51,189		51,189
Share premium account			11,664		11,664
Profit and loss reserves			<u>1,331,114</u>		<u>1,196,080</u>
<b>Total equity</b>			<u>1,393,967</u>		<u>1,258,933</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 13 January 2020 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 2019

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### 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.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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 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:

Leasehold improvements	7.7% straight line
Plant and machinery	20% straight line
Fixtures and 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.

#### 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.

# KEY-TECH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 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' 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.

##### **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 and hire purchase agreements, 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.

# KEY-TECH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction 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 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.

#### 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 in which 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.

# KEY-TECH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 1 Accounting policies

(Continued)

#### 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss 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 profit or loss 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 leases asset are consumed.

#### 1.14 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 profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 52 (2018 - 53).

### 3 Dividends

	2019 £	2018 £
Final paid	17,000	160,000

The above dividends represent payments made to the holding company.

# KEY-TECH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 May 2018	216,814	1,501,036	18,479	21,526	47,088	1,804,943
Additions	-	14,983	-	1,097	30,068	46,148
Disposals	-	-	-	-	(22,719)	(22,719)
At 30 April 2019	216,814	1,516,019	18,479	22,623	54,437	1,828,372
<b>Depreciation and impairment</b>						
At 1 May 2018	152,542	1,171,962	18,479	19,994	27,864	1,390,841
Depreciation charged in the year	16,607	114,029	-	1,432	13,609	145,677
Eliminated in respect of disposals	-	-	-	-	(21,772)	(21,772)
At 30 April 2019	169,149	1,285,991	18,479	21,426	19,701	1,514,746
<b>Carrying amount</b>						
At 30 April 2019	47,665	230,028	-	1,197	34,736	313,626
At 30 April 2018	64,272	329,074	-	1,532	19,224	414,102

Assets with a carrying amount of £414,102 (2017 - £259,471) have been pledged to secure borrowings of the company.

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,013,277	949,741
Corporation tax recoverable	13,500	-
Amounts owed by group undertakings	1,261,828	1,280,683
Other debtors	2,773	3,602
	2,291,378	2,234,026



# KEY-TECH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

**6 Creditors: amounts falling due within one year**

	2019 £	2018 £
Bank loans and overdrafts	113,553	230,023
Trade creditors	632,250	490,839
Taxation and social security	95,843	41,067
Other creditors	562,230	545,014
	<u>1,403,876</u>	<u>1,306,943</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.

**7 Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	<u>251,727</u>	<u>378,032</u>

**8 Called up share capital**

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
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 Thomson Cooper.

## KEY-TECH (SCOTLAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2019**

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#### **10 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2019</b>	<b>2018</b>
<b>£</b>	<b>£</b>
591,125	605,700
<u>591,125</u>	<u>605,700</u>

#### **11 Parent company**

The parent company of Key-Tech (Scotland) Limited is Key-Tech Electronics Limited and its registered office is is Crescent House, Carnegie Campus, Dunfermline, Fife KY11 8GR.

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.