

L.KAHN MANUFACTURING COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

Wags LLP t/a Wagstaffs
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

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FOR THE YEAR ENDED 31ST DECEMBER 2021**

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L.KAHN MANUFACTURING COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2021**

Directors: R L Michel
T G J Pattenden
B A Hunt

Secretary: B A Hunt

Registered office: Wellfield Road
Hatfield
Hertfordshire
AL10 0BS

Registered number: 00479484 (England and Wales)

Accountants: Wags LLP t/a Wagstaffs
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
L.KAHN MANUFACTURING COMPANY LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Statement of financial position. Readers are cautioned that the Income statement and certain other primary statements and the Report of the directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of L.Kahn Manufacturing Company Limited for the year ended 31st December 2021 which comprise the Income statement, Other comprehensive income, Abridged Statement of financial position, Statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of L.Kahn Manufacturing Company Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of L.Kahn Manufacturing Company Limited and state those matters that we have agreed to state to the Board of Directors of L.Kahn Manufacturing Company Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than L.Kahn Manufacturing Company Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that L.Kahn Manufacturing Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of L.Kahn Manufacturing Company Limited. You consider that L.Kahn Manufacturing Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of L.Kahn Manufacturing Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

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30th September 2022

ABRIDGED STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	5	1,335,583	1,526,378
Property, plant and equipment	6	6,753,590	4,869,959
Investments	7	169,352	169,352
		<u>8,258,525</u>	<u>6,565,689</u>
CURRENT ASSETS			
Inventories		1,086,617	1,514,014
Debtors		579,027	847,639
Cash at bank and in hand		47,963	60,244
		<u>1,713,607</u>	<u>2,421,897</u>
CREDITORS			
Amounts falling due within one year		<u>(2,765,365)</u>	<u>(2,431,108)</u>
NET CURRENT LIABILITIES		<u>(1,051,758)</u>	<u>(9,211)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,206,767	6,556,478
CREDITORS			
Amounts falling due after more than one year		(2,464,142)	(2,558,182)
PROVISIONS FOR LIABILITIES		<u>(269,931)</u>	-
NET ASSETS		<u>4,472,694</u>	<u>3,998,296</u>
CAPITAL AND RESERVES			
Called up share capital	9	155,008	44,998
Share premium		220,020	-
Revaluation reserve	10	4,380,467	3,034,403
Capital redemption reserve		25,002	25,002
Retained earnings		<u>(307,803)</u>	<u>893,893</u>
SHAREHOLDERS' FUNDS		<u>4,472,694</u>	<u>3,998,296</u>

The notes form part of these financial statements

**ABRIDGED STATEMENT OF FINANCIAL POSITION - continued
31ST DECEMBER 2021**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

All the members have consented to the preparation of an abridged Statement of financial position for the year ended 31st December 2021 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30th September 2022 and were signed on its behalf by:

R L Michel - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

1. STATUTORY INFORMATION

L.Kahn Manufacturing Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

In the application of the company's accounting policies, which are described in note 3, management is required to make judgements estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

- Useful Economic Life of Tangible Assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ACCOUNTING POLICIES - continued

Revenue

Revenue represents the total invoice value, excluding value added tax, trade discounts and all other taxes of sales made during the year.

Revenue Recognition

Revenue is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values once the item is complete.

Property, plant and equipment

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 - 20% reducing balance

Motor vehicles - 33.33% reducing balance

It is the policy of the company not to provide depreciation on land and buildings. The directors consider that the life of land and buildings are so long and that the residual value is so great that depreciation is not considered appropriate.

Where any permanent diminution of property is incurred, a provision is made in the incomes statement. The directors' estimate of residual value is reviewed annually.

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ACCOUNTING POLICIES - continued

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.

Tax

Tax for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred tax assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Fixed asset investments

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Going concern

The directors have assessed the Balance sheet and likely future cash flows at the date of approving these financial statements. The directors are confident that the company has sufficient funds available to meet liabilities as they fall due within the next 12 months; however the directors acknowledge that the position is changing day by day which means forecasting is difficult.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 36 (2020 - 55) .

5. INTANGIBLE FIXED ASSETS

	Totals £
Cost	
At 1st January 2021	
and 31st December 2021	<u>1,907,969</u>
Amortisation	
At 1st January 2021	<u>381,591</u>
Amortisation for year	<u>190,795</u>
At 31st December 2021	<u>572,386</u>
Net book value	
At 31st December 2021	<u>1,335,583</u>
At 31st December 2020	<u>1,526,378</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

6. PROPERTY, PLANT AND EQUIPMENT

	Totals £
Cost or valuation	
At 1st January 2021	8,043,485
Additions	14,363
Revaluations	1,997,366
At 31st December 2021	<u>10,055,214</u>
Depreciation	
At 1st January 2021	3,173,526
Charge for year	128,098
At 31st December 2021	<u>3,301,624</u>
Net book value	
At 31st December 2021	<u>6,753,590</u>
At 31st December 2020	<u>4,869,959</u>

Cost or valuation at 31st December 2021 is represented by:

	Totals £
Valuation in 2002	693,230
Valuation in 2007	2,348,000
Valuation in 2013	273,663
Valuation in 2016	200,000
Valuation in 2021	1,997,366
Cost	<u>4,542,955</u>
	<u>10,055,214</u>

On 2nd March 2022 the property at Wellfield Road, Hatfield, Herts, AL10 0BS was valued by Anderson, Wilde & Harris Chartered Surveyors at £6.2m on an open market basis. This value has been included in the financial statements to 31st December 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

7. FIXED ASSET INVESTMENTS

Information on investments other than loans is as follows:

	Totals £
Cost	
At 1st January 2021	
and 31st December 2021	<u>169,352</u>
Net book value	
At 31st December 2021	<u>169,352</u>
At 31st December 2020	<u>169,352</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loan	2,492,569	2,548,526
Other creditors	<u>366,383</u>	<u>205,743</u>
	<u>2,858,952</u>	<u>2,754,269</u>

The bank loan and invoice finance facility are secured by a fixed and floating charge over the company's assets.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
155,008	Ordinary	£1	<u>155,008</u>	<u>44,998</u>

110,010 Ordinary shares of £1 each were allotted as fully paid at a premium of £2 per share during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

10. RESERVES

	Revaluation reserve
	£
At 1st January 2021	3,034,403
Transfer of tax	(651,303)
Revaluations	<u>1,997,367</u>
At 31st December 2021	<u>4,380,467</u>

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.