

REGISTERED NUMBER: SC164130 (Scotland)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
CAMPBELL & KENNEDY LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2018**

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CAMPBELL & KENNEDY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS:

Gerald O'Donnell Kennedy
Mairi Brodie
Alan Campbell
Lynne Prior
Thomas Muir Carnie
Billy Paterson

SECRETARY:

Gerald O'Donnell Kennedy

REGISTERED OFFICE:

Unit 11, Telford Court
9 South Avenue
Clydebank Business Park
Clydebank
Glasgow
G81 2NR

REGISTERED NUMBER:

SC164130 (Scotland)

AUDITORS:

Stewart Gilmour & Co.,
Chartered Accountants
3rd Floor, St George's Buildings
5 St Vincent Place
Glasgow
G1 2DH

BANKERS:

Clydesdale Bank plc
32 Sylvania Way South
Clydebank
Glasgow
G81 1RP

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their strategic report of the company and the group for the year ended 31 March 2018. Campbell & Kennedy Limited's company vision is to be a truly proactive design and installation partner, with an ever-present positive attitude that gets the job done but never compromises on quality. We continue to operate primarily within four key areas of the construction sector, namely technology solutions, electrical test and inspect, energy and fire security. Our strategy moving forward is to continue to position the business as a one-stop shop for clients requiring multiple trades in a single project or contract. Training and development of staff and operatives throughout the business is integral to this strategy ensuring cross skills and flexibility of our workforce. With a Head Office in Glasgow we continue to have a base in London, providing solid platforms to service the whole of the UK. We continue to seek out business at corporate level, ideally directly with client organisations but equally by operating as a single partner alongside, or sub-contracting to large framework contractors and major constructors. Our ongoing strategy is to seek out opportunities to be selected directly onto client frameworks in the sectors where such frameworks exist, or partner larger national framework contractors who operate in multi-trade frameworks. Whilst revenue in the year was down compared with 2016/17, the net worth of the business remains robust.

Principal Risks and Uncertainties

Customer Strategy

We must ensure that we do not fail to deliver on our three key areas of strategic growth, namely growing market share, improving margin and controlling working capital. If we do not increase our profits, revenue and margins, it may impact on the continued re-investment into the business. To mitigate against this we are seeking business in less competitive segments, as well as obtaining external accreditations that offer access to "better margin" less competitive business. There is also a strong focus on working capital and we undertake thorough reviews of proposed capital expenditure.

Brand, Key Relationships and Reputation

Failure to implement key management structure review may lead to insufficient experience within the management team to deliver projects to our clients' satisfaction. As such there is a constant focus on recruiting key personnel. Whilst the economic outlook remains turbulent, our focus on internal training and development has established a staff retention culture that has proven to improve our financial returns. We will continue to engage with our staff at all levels as we believe it is a key area to delivering customer excellence.

Systems and Technology

We must ensure that our confidential data is secure as any breach would impact on customer relationships and be detrimental to our reputation. To mitigate against this we have recognised industry standard security policies in place for all systems and servers.

People and Health & Safety

Failure to attract, develop and maintain talent would impact on our ability to deliver the business plan. To safeguard against this risk, we have an annual performance review process, external benchmarking of remuneration and a talent review. In addition, failure to comply with health & safety standards could lead to injury to customers, employees or the general public. We have an external health & safety consultant to audit and review all procedures and processes. We also have a specific health & safety audit plan, management training, regular training for all staff and operatives, and ongoing investment in health & safety equipment.

Outlook

Revenue was lower than expected this year, with the business taking a conscious decision to ensure all bad debts and issues with problem contracts were flushed out and realised in the year. This had the impact of returning a one time loss for the period, but one that is expected to be followed by a profitable year in 2018/19, with revenues expected to return to more familiar levels of £10m plus, an increase of around 29% on this year. We expect the Return On Sales to be between 3.5 and 5%. There were drops in revenue in our Sky operation due to Sky closing down its multi dwelling unit Enablement project - which had a year on year negative impact of £2m revenue. We also lost ground in our Electrical division, as our focus moved to working with direct clients on test & inspect work. A large proportion of the loss posted in the period related to electrical projects that caused us difficulty due to our role as a Subcontractor. As stated, 2018/19 will see us move fully into the test & inspect arena where there is a quality of work that ensures few issues and by working directly with end user customers, we can build solid relationships that will promote repeat profitable business.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Our Energy division had another difficult year. We work closely with our customers in this sector, as there is a lot of preparation work required before we can begin a project - e.g. planning permission and tenant approval for commercial solar work, and this has caused some delays in completing projects. However, we continue to ensure expectations are properly managed, leading to stronger customer relationships and we are seeing progress in this area in 2018/19. Our core Technical and Aerial Satellite sector are again expected to deliver steady revenue and profit returns through excellent long standing customer relationships. As reported last year, our attainment of the BAFE accreditation has boosted Fire Installation and Maintenance business, particularly in our southern area, whom, as a result, have seen a spike in revenue and margin which will continue to grow in 2018/19. Augmenting this growth will be our entry into the security market (Intruder alarms, CCTV and Access Control) via our NACOSS Gold accreditation. Once in place, and with BAFE already secured, we will be at a level similar to the larger fire and security organisations in the UK, so we see this as a major strategic growth area in 2018/19 and beyond, with particular emphasis in the south of the UK.

Operational delivery continues to be a main focus to ensure we maintain high levels of service and customer retention through of excellence of our Field Operatives. The business has also carried out a review and implemented some changes to our Sales approach in 2018/19. A UK wide Sales Manager has been appointed to streamline and regulate processes that ensures all Business Development Managers have similar tools to achieve with performance measured closely. Our number of BDM's have increased as we go into 2018/19 to ensure all our business strands are represented by industry specialists. We continued to provide financial support to CircoSense Ltd, which manufactures, installs and maintains an energy saving product. CircoSense is in the process of introducing a patented version 2 product to the marketplace with much expected from it in terms of volume of sales. Our banking partners continued to provide the business with strong support over the year, and we continue to work closely with them to ensure our funding avenues remain relative to our business model. Continued focus on strong governance and responsibility augments the excellence of our people and quality of delivery to customers, all of which has contributed to the strong profile C&K enjoys within its chosen marketplaces.

ON BEHALF OF THE BOARD:

Gerald O'Donnell Kennedy - Director

27 December 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the design, installation and maintenance of television aerial and satellite systems together with the installation of solar panels, internal reception systems and electrical contracting.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2018 amounted to £121,000 (2017 : £114,216).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Gerald O'Donnell Kennedy
Mairi Brodie
Alan Campbell
Lynne Prior
Thomas Muir Carnie

Other changes in directors holding office are as follows:

Billy Paterson - appointed 25 January 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

CAMPBELL & KENNEDY LIMITED (REGISTERED NUMBER: SC164130)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

AUDITORS

The auditors, Stewart Gilmour & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Gerald O'Donnell Kennedy - Director

27 December 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAMPBELL & KENNEDY LIMITED

Opinion

We have audited the financial statements of Campbell & Kennedy Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAMPBELL & KENNEDY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Kenneth C. Livingstone B.A., C.A., A.I.P.F.M. (Senior Statutory Auditor)
for and on behalf of Stewart Gilmour & Co.,
Chartered Accountants
3rd Floor, St George's Buildings
5 St Vincent Place
Glasgow
G1 2DH

27 December 2018

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
TURNOVER	3	7,633,888	10,425,651
Cost of sales		<u>6,138,300</u>	<u>7,984,895</u>
GROSS PROFIT		1,495,588	2,440,756
Administrative expenses		<u>1,782,011</u>	<u>2,090,532</u>
OPERATING (LOSS)/PROFIT	5	(286,423)	350,224
Interest receivable and similar income		<u>100</u>	<u>136</u>
		(286,323)	350,360
Interest payable and similar expenses	6	<u>17,223</u>	<u>11,670</u>
(LOSS)/PROFIT BEFORE TAXATION		(303,546)	338,690
Tax on (loss)/profit	7	<u>(90,514)</u>	<u>84,319</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(213,032)	254,371

The notes form part of these financial statements

CAMPBELL & KENNEDY LIMITED (REGISTERED NUMBER: SC164130)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR		(213,032)	254,371
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(213,032)</u>	<u>254,371</u>

The notes form part of these financial statements

CAMPBELL & KENNEDY LIMITED (REGISTERED NUMBER: SC164130)

**BALANCE SHEET
31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	9		176		-
Tangible assets	10		<u>311,856</u>		<u>521,049</u>
			312,032		521,049
CURRENT ASSETS					
Stocks	11	170,215		179,350	
Debtors	12	2,760,256		3,095,706	
Cash in hand		<u>459,001</u>		<u>457,588</u>	
		3,389,472		3,732,644	
CREDITORS					
Amounts falling due within one year	13	<u>2,514,874</u>		<u>2,666,394</u>	
NET CURRENT ASSETS			874,598		1,066,250
TOTAL ASSETS LESS CURRENT LIABILITIES			1,186,630		1,587,299
CREDITORS					
Amounts falling due after more than one year	14		-		(541)
PROVISIONS FOR LIABILITIES	17		<u>(42,989)</u>		<u>(109,085)</u>
NET ASSETS			<u>1,143,641</u>		<u>1,477,673</u>
CAPITAL AND RESERVES					
Called up share capital	18		65,788		65,788
Share premium	19		135,000		135,000
Retained earnings	19		<u>942,853</u>		<u>1,276,885</u>
SHAREHOLDERS' FUNDS			<u>1,143,641</u>		<u>1,477,673</u>

The financial statements were approved by the Board of Directors on 27 December 2018 and were signed on its behalf by:

Gerald O'Donnell Kennedy - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	65,803	1,136,715	135,000	1,337,518
Changes in equity				
Issue of share capital	(15)	-	-	(15)
Dividends	-	(114,216)	-	(114,216)
Total comprehensive income	-	254,386	-	254,386
Balance at 31 March 2017	<u>65,788</u>	<u>1,276,885</u>	<u>135,000</u>	<u>1,477,673</u>
Changes in equity				
Dividends	-	(121,000)	-	(121,000)
Total comprehensive income	-	(213,032)	-	(213,032)
Balance at 31 March 2018	<u>65,788</u>	<u>942,853</u>	<u>135,000</u>	<u>1,143,641</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	197,827	432,245
Interest paid		(13,533)	-
Interest element of hire purchase payments paid		(3,690)	(11,670)
		(18,565)	-
Tax paid		240	(172,936)
Net cash from operating activities		<u>162,279</u>	<u>247,639</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(2,111)	-
Purchase of tangible fixed assets		(38,861)	(139,319)
Sale of tangible fixed assets		60,550	18,276
Interest received		100	136
Net cash from investing activities		<u>19,678</u>	<u>(120,907)</u>
Cash flows from financing activities			
New loans in year		-	18,565
Capital repayments in year		(59,544)	(150,238)
Amount introduced by directors		469,330	348,330
Amount withdrawn by directors		(469,330)	(348,330)
Cancellation of own shares		-	(15)
Equity dividends paid		(121,000)	(114,216)
Net cash from financing activities		<u>(180,544)</u>	<u>(245,904)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,413</u>	<u>(119,172)</u>
Cash and cash equivalents at beginning of year	2	457,588	576,760
Cash and cash equivalents at end of year	2	<u>459,001</u>	<u>457,588</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
(Loss)/profit before taxation	(303,546)	338,690
Depreciation charges	176,592	201,625
Loss on disposal of fixed assets	12,847	6,231
Finance costs	17,223	11,670
Finance income	(100)	(136)
	<u>(96,984)</u>	<u>558,080</u>
Decrease in stocks	9,135	23,994
Decrease in trade and other debtors	335,450	949,230
Decrease in trade and other creditors	(49,774)	(1,099,059)
Cash generated from operations	<u><u>197,827</u></u>	<u><u>432,245</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31.3.18 £	1.4.17 £
Cash and cash equivalents	<u>459,001</u>	<u>457,588</u>

Year ended 31 March 2017

	31.3.17 £	1.4.16 £
Cash and cash equivalents	<u>457,588</u>	<u>576,760</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATUTORY INFORMATION

Campbell & Kennedy Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Plant and machinery	- 33% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Taxation

Taxation 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 taxation 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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 profit or loss in the period to which they relate.

Preference shares

Where preference shares carry an obligation to deliver economic value they are included as liabilities in the balance sheet and any related dividend is treated as a finance cost in the profit and loss account. Where preference shares carry no such obligation, they are treated as equity.

3. TURNOVER

The turnover and loss (2017 - profit) before taxation are attributable to the principal activities of the company.

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	2,233,857	2,355,413
Other pension costs	<u>28,400</u>	<u>17,400</u>
	<u>2,262,257</u>	<u>2,372,813</u>

The average number of employees during the year was as follows:

	2018	2017
	<u>67</u>	<u>74</u>
	2018 £	2017 £
Directors' remuneration	<u>336,435</u>	<u>340,112</u>

Information regarding the highest paid director is as follows:

	2018 £	2017 £
Emoluments etc	<u>100,115</u>	<u>100,037</u>

5. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging:

	2018 £	2017 £
Hire of plant and machinery	27,050	35,435
Depreciation - owned assets	174,658	201,627
Loss on disposal of fixed assets	12,847	6,231
Goodwill amortisation	<u>1,935</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Employer Financed Retirement Benefits Scheme	13,533	-
Hire purchase	3,690	11,670
	<u>17,223</u>	<u>11,670</u>

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	(24,418)	84,319
Deferred tax	(66,096)	-
Tax on (loss)/profit	<u>(90,514)</u>	<u>84,319</u>

8. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	<u>121,000</u>	<u>114,216</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	2,111
At 31 March 2018	<u>2,111</u>
AMORTISATION	
Amortisation for year	1,935
At 31 March 2018	<u>1,935</u>
NET BOOK VALUE	
At 31 March 2018	<u>176</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2017	91,463	349,297	84,941
Additions	-	17,160	841
At 31 March 2018	<u>91,463</u>	<u>366,457</u>	<u>85,782</u>
DEPRECIATION			
At 1 April 2017	60,186	226,279	59,275
Charge for year	5,677	48,772	6,573
Eliminated on disposal	-	-	-
At 31 March 2018	<u>65,863</u>	<u>275,051</u>	<u>65,848</u>
NET BOOK VALUE			
At 31 March 2018	<u>25,600</u>	<u>91,406</u>	<u>19,934</u>
At 31 March 2017	<u>31,277</u>	<u>123,018</u>	<u>25,666</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2017	597,736	336,576	1,460,013
Additions	1,549	19,311	38,861
Disposals	(221,428)	-	(221,428)
At 31 March 2018	<u>377,857</u>	<u>355,887</u>	<u>1,277,446</u>
DEPRECIATION			
At 1 April 2017	342,711	250,512	938,963
Charge for year	55,712	57,924	174,658
Eliminated on disposal	(148,031)	-	(148,031)
At 31 March 2018	<u>250,392</u>	<u>308,436</u>	<u>965,590</u>
NET BOOK VALUE			
At 31 March 2018	<u>127,465</u>	<u>47,451</u>	<u>311,856</u>
At 31 March 2017	<u>255,025</u>	<u>86,064</u>	<u>521,050</u>

Within fixed assets there are motor vehicles financed by hire purchase agreements.

11. STOCKS

	2018 £	2017 £
Goods for resale	<u>170,215</u>	<u>179,350</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	1,725,202	2,113,538
Other debtors	6,746	6,746
Amounts due from CircoSense Ltd	881,341	782,264
Amounts due from CK Fire Protection Ltd	15,821	15,000
Prepayments and accrued income	131,146	178,158
	<u>2,760,256</u>	<u>3,095,706</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 15)	-	18,565
Hire purchase contracts (see note 16)	541	59,544
Trade creditors	789,241	461,256
Amounts due to Campbell & Kennedy Maintenance Ltd	175,000	175,000
Current corporation tax	60,141	84,319
Social security and other taxes	437,628	199,606
Other creditors	591,715	1,197,703
Employer Financed Retirement Benefit Scheme	200,000	200,000
Accruals and deferred income	260,608	270,401
	<u>2,514,874</u>	<u>2,666,394</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Hire purchase contracts (see note 16)	<u>-</u>	<u>541</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Loan to finance Circosense	<u>-</u>	<u>18,565</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Net obligations repayable:		
Within one year	541	59,544
Between one and five years	-	541
	<u>541</u>	<u>60,085</u>

17. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>42,989</u>	<u>109,085</u>
		Deferred tax £
Balance at 1 April 2017		109,085
Credit to Income Statement during year		(66,096)
Balance at 31 March 2018		<u>42,989</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018 £	2017 £
Number:	Class:			
50,788	Ordinary	£1	50,788	50,788
150,000	Redeemable preference	£0.10	<u>15,000</u>	<u>15,000</u>
			<u>65,788</u>	<u>65,788</u>

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	1,276,885	135,000	1,411,885
Deficit for the year	(213,032)		(213,032)
Dividends	(121,000)		(121,000)
At 31 March 2018	<u>942,853</u>	<u>135,000</u>	<u>1,077,853</u>

20. ULTIMATE PARENT COMPANY

The ultimate parent company of Campbell & Kennedy Limited is Campbell & Kennedy UK Limited, a company registered in Scotland.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

21. RELATED PARTY DISCLOSURES

At 31 March 2018 the company was owed £881,341 by CircoSense Ltd, a company of which Gerald Kennedy is a director (2017 : £782,264).

At 31 March 2018 the company was owed £15,821 by CK Fire Protection Ltd, a company of which Gerald Kennedy is a director (2017 : £15,000).

At 31 March 2018 the company owed £175,000 to Campbell & Kennedy Maintenance Limited, a company of which Lynne Prior is a director (2017 : £175,000).

During the year, Tabard Services Limited provided professional services to the company negotiated at market value of £88,000 (2017 : £77,000). This company is controlled by a family member of director Gerald Kennedy.

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