

Company Registration No. SC344021 (Scotland)

Kingdom Timber Engineering Limited

financial statements

for the year ended 30 September 2017

Pages for filing with Registrar



Kingdom Timber Engineering Limited

Company information

Directors	GE Low BA Welsh MD Grant
Secretary	S Mason ACMA
Company number	SC344021
Registered office	Shielhill Wood Tealing DD4 0PW
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB
Business address	Ashley Road Glenrothes Fife KY6 2SE
Bankers	Clydesdale Bank Plc 7/8 High Street Dundee DD1 1SS
Solicitors	MacRoberts LLP River Court 5 West Victoria Dock Road Dundee DD1 3JT

Kingdom Timber Engineering Limited

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Kingdom Timber Engineering Limited

Balance Sheet

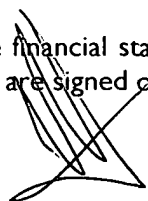
as at 30 September 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		146,557		176,249
Current assets					
Stocks		225,424		190,385	
Debtors	4	1,065,524		1,118,919	
Cash at bank and in hand		608,477		563,484	
		<u>1,899,425</u>		<u>1,872,788</u>	
Creditors: amounts falling due within one year	5	<u>(1,284,769)</u>		<u>(1,376,281)</u>	
Net current assets			<u>614,656</u>		<u>496,507</u>
Total assets less current liabilities			<u>761,213</u>		<u>672,756</u>
Provisions for liabilities			<u>(8,100)</u>		<u>(12,902)</u>
Net assets			<u><u>753,113</u></u>		<u><u>659,854</u></u>
Capital and reserves					
Called up share capital	6	200,000		200,000	
Profit and loss reserves		553,113		459,854	
Total equity			<u><u>753,113</u></u>		<u><u>659,854</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 4 May 2018 and are signed on its behalf by:



GE Low
Director

Company Registration No. SC344021

Kingdom Timber Engineering Limited

Statement of changes in equity

for the year ended 30 September 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2015		200,000	299,697	499,697
Year ended 30 September 2016:				
Profit and total comprehensive income for the year		-	360,157	360,157
Dividends		-	(200,000)	(200,000)
Balance at 30 September 2016		200,000	459,854	659,854
Year ended 30 September 2017:				
Profit and total comprehensive income for the year		-	293,259	293,259
Dividends		-	(200,000)	(200,000)
Balance at 30 September 2017		<u>200,000</u>	<u>553,113</u>	<u>753,113</u>

Kingdom Timber Engineering Limited

Notes to the financial statements

for the year ended 30 September 2017

1 Accounting policies

Company information

Kingdom Timber Engineering Limited is a private company limited by shares incorporated in Scotland. The registered office is Shielhill Wood, Tealing, DD4 0PW.

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	10% straight line
Plant and machinery	10% - 25% straight line
Fixtures, fittings & equipment	33.3% straight line
Computer equipment	33.3% 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.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

1 Accounting policies (continued)

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.

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.

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.

1.5 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 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.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

1 Accounting policies (continued)

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, 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.

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.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

1 Accounting policies (continued)

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 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

1 Accounting policies (continued)

1.12 Leases

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 43 (2016 - 43).

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 October 2016	85,157	345,801	430,958
Additions	-	8,507	8,507
At 30 September 2017	85,157	354,308	439,465
Depreciation and impairment			
At 1 October 2016	17,145	237,564	254,709
Depreciation charged in the year	8,516	29,683	38,199
At 30 September 2017	25,661	267,247	292,908
Carrying amount			
At 30 September 2017	59,496	87,061	146,557
At 30 September 2016	68,012	108,237	176,249

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	941,026	995,711
Amounts owed by group undertakings	-	12,563
Other debtors	124,498	110,645
	1,065,524	1,118,919

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	862,916	1,012,179
Amounts due to group undertakings	61,006	-
Corporation tax	28,083	90,922
Other taxation and social security	124,521	103,874
Other creditors	208,243	169,306
	<u>1,284,769</u>	<u>1,376,281</u>

6 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital distribution.

7 Profit and loss reserves

Profit and loss reserves include all current and prior years' retained profits and losses.

8 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 Ian J Cameron.

The auditor was Henderson Loggie.

9 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited inter-company cross guarantee to Clydesdale Bank plc which incorporates a right of set-off between Low Holdings (Scotland) Limited, Rembrand Timber Limited, Scotia Roofing Supplies Limited, Glow Insulation and Site Supplies Limited and Rembrand Builders Merchants Limited. At 30 September 2017 the guarantee amounted to £Nil (2016 - £Nil).

Kingdom Timber Engineering Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

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:

2017	2016
£	£
764,214	928,239

11 Related party transactions

Remuneration of key management personnel

	2017	2016
	£	£
Aggregate compensation	234,231	172,224

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Entities with control, joint control or significant influence over the company	666,859	738,956	655,023	673,187
Other related parties	1,611	2,825	274	130

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	61,006	-

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2017

11 Related party transactions (continued)

The following amounts were outstanding at the reporting end date:

	2016 Balance £
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	12,563
	<u>12,563</u>

12 Controlling party

The company is controlled by Low Holdings (Scotland) Limited which in turn is controlled by GE Low.

Low Holdings (Scotland) Limited draws up consolidated financial statements of which the company is a member. Low Holdings (Scotland) Limited has its registered office situated at Shielhill, Tealing, Dundee, DD4 0WP.