

Company Registration No. SC344021 (Scotland)

Kingdom Timber Engineering Limited

financial statements

for the year ended 30 September 2018

Pages for filing with Registrar

Kingdom Timber Engineering Limited

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Kingdom Timber Engineering Limited

Balance sheet

as at 30 September 2018

		2018	2017
	Notes	£	£
Fixed assets			
Tangible assets	3	240,453	146,557
Current assets			
Stocks		320,157	225,424
Debtors	4	1,609,844	1,065,524
Cash at bank and in hand		490,147	608,477
		<u>2,420,148</u>	<u>1,899,425</u>
Creditors: amounts falling due within one year	5	<u>(1,747,549)</u>	<u>(1,284,769)</u>
Net current assets		<u>672,599</u>	<u>614,656</u>
Total assets less current liabilities		<u>913,052</u>	<u>761,213</u>
Provisions for liabilities		<u>(8,403)</u>	<u>(8,100)</u>
Net assets		<u><u>904,649</u></u>	<u><u>753,113</u></u>
Capital and reserves			
Called up share capital	6	200,000	200,000
Profit and loss reserves		704,649	553,113
Total equity		<u><u>904,649</u></u>	<u><u>753,113</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 September 2019 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 2018

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 October 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	200,000	553,113	753,113
Year ended 30 September 2018:			
Profit and total comprehensive income for the year	-	351,536	351,536
Dividends	-	(200,000)	(200,000)
Balance at 30 September 2018	200,000	704,649	904,649

Kingdom Timber Engineering Limited

Notes to the financial statements

for the year ended 30 September 2018

1 Accounting policies

Company information

Kingdom Timber Engineering Limited is a private company limited by shares incorporated in Scotland. The registered office is Unit 5, Baluniefield Industrial Estate, Balunie Drive, Dundee, DD4 8UT.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 33 'Related Party Disclosures' – Disclosures of transactions entered into between two or more members of the group, and compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of LHSL 1 Limited. These consolidated financial statements are available from its registered office.

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

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2018

1 Accounting policies (continued)

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.

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.

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 at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks 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 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.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2018

1 Accounting policies (continued)

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 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.

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2018

1 Accounting policies (continued)

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.

1.12 Leases

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 53 (2017 - 43).

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2018

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 October 2017	85,157	354,308	439,465
Additions	-	131,030	131,030
Disposals	-	(34,146)	(34,146)
At 30 September 2018	85,157	451,192	536,349
Depreciation and impairment			
At 1 October 2017	25,661	267,247	292,908
Depreciation charged in the year	8,516	28,618	37,134
Eliminated in respect of disposals	-	(34,146)	(34,146)
At 30 September 2018	34,177	261,719	295,896
Carrying amount			
At 30 September 2018	50,980	189,473	240,453
At 30 September 2017	59,496	87,061	146,557

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,457,522	941,026
Other debtors	152,322	124,498
	1,609,844	1,065,524

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,259,809	862,916
Amounts owed to group undertakings	34,440	61,006
Corporation tax	42,477	28,083
Other taxation and social security	182,520	124,521
Other creditors	228,303	208,243
	1,747,549	1,284,769

Kingdom Timber Engineering Limited

Notes to the financial statements (continued)

for the year ended 30 September 2018

6 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000
	<u> </u>	<u> </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 MHA Henderson Loggie, a trading name of Henderson Loggie LLP.

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 LHSL 1 Limited and Low Holdings (Scotland) Limited. As at 30 September 2018 the guarantee amounted to £Nil (2017 - £Nil).

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:

2018	2017
£	£
675,246	764,214
<u> </u>	<u> </u>

11 Controlling party

The company is controlled by LHSL 1 Limited which in turn is controlled by GE Low.

LHSL 1 Limited draws up consolidated financial statements of which the company is a member. LHSL 1 Limited has its registered office situated at Unit 5, Baluniefield Trading Estate, Balunie Drive, Dundee, Angus, DD4 8UT.

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.