Company Registration No. SC344021 (Scotland)

Kingdom Timber Engineering Limited

financial statements

for the year ended 30 September 2021

Pages for filing with Registrar

Kingdom Timber Engineering Limited

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Kingdom Timber Engineering Limited

Balance sheet

as at 30 September 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	3		**607,988**		349,690
Current assets					
Stocks		**682,012**		280,901	
Debtors	4	**2,657,527**		1,794,606	
Cash at bank and in hand		**1,911,693**		1,421,965	
		5,251,232		3,497,472	
Creditors: amounts falling due within one year	5	**(3,532,475)**		(2,293,318)	
Net current assets			**1,718,757**		1,204,154
Total assets less current liabilities			**2,326,745**		1,553,844
Creditors: amounts falling due after more than one year	6		**(49,809)**		(78,189)
Provisions for liabilities			**(82,695)**		(39,914)
Net assets			**2,194,241**		1,435,741
Capital and reserves					
Called up share capital	7		**200,000**		200,000
Profit and loss reserves			**1,994,241**		1,235,741
Total equity			**2,194,241**		1,435,741

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 28 June 2022 and are signed on its behalf by:

BA Welsh
Director

Company Registration No. SC344021

Kingdom Timber Engineering Limited

Statement of changes in equity

for the year ended 30 September 2021

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 October 2019		200,000	1,041,105	1,241,105
Year ended 30 September 2020:				
Profit and total comprehensive income for the year		-	394,636	394,636
Dividends		-	(200,000)	(200,000)
Balance at 30 September 2020		200,000	1,235,741	1,435,741
Year ended 30 September 2021:				
Profit and total comprehensive income for the year		**-**	**958,500**	**958,500**
Dividends		**-**	**(200,000)**	**(200,000)**
Balance at 30 September 2021		**200,000**	**1,994,241**	**2,194,241**

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 a mounts 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 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The impact on operations of the COVID-19 pandemic has been considered by the directors. The directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios, including the future impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that he can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 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 Accounting policies (continued)

1.4 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.

1.5 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.

1.6 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 Accounting policies (continued)

1.7 Cash and cash equivalents

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

1.8 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.

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 loans from fellow group companies, 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.

1.9 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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.

1.11 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.

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.

1.12 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.

1.13 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 Accounting policies (continued)

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 in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	**57**	48

3 Tangible fixed assets

	Land and buildings	**Plant and machinery etc**	**Total**
	£	**£**	**£**
Cost			
At 1 October 2020	**88,361**	**675,580**	**763,941**
Additions	**169,954**	**160,073**	**330,027**
Disposals	**-**	**(40,000)**	**(40,000)**
At 30 September 2021	**258,315**	**795,653**	**1,053,968**
Depreciation and impairment			
At 1 October 2020	**51,635**	**362,616**	**414,251**
Depreciation charged in the year	**16,314**	**55,415**	**71,729**
Eliminated in respect of disposals	**-**	**(40,000)**	**(40,000)**
At 30 September 2021	**67,949**	**378,031**	**445,980**
Carrying amount			
At 30 September 2021	**190,366**	**417,622**	**607,988**
At 30 September 2020	36,726	312,964	349,690

4 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	**2,431,013**	1,660,531
Other debtors	**226,514**	134,075
	2,657,527	1,794,606

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**2,733,906**	1,479,316
Amounts owed to group undertakings	**-**	28,437
Corporation tax	**200,225**	52,921
Other taxation and social security	**286,130**	423,022
Other creditors	**312,214**	309,622
	3,532,475	2,293,318

Included within other creditors are liabilities due for finance leases. These leases are secured against the assets concerned.

6 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	**49,809**	78,189

Included within other creditors are liabilities due for finance leases. These leases are secured against the assets concerned.

7 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	**200,000**	200,000	**200,000**	200,000

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

8 Profit and loss reserves

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

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 Blair Davidson.
The auditor was Henderson Loggie LLP.

10 Financial commitments, guarantees and contingent liabilities

Clydesdale Bank Plc has a floating charge over the assets and undertakings of the company.

11 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:

	2021	2020
	£	£
	511,660	563,757

12 Parent company

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.