

James Kent Consolidated Limited

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

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Company Registration No. 07052616

James Kent Consolidated Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

James Kent Consolidated Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Note	At 31 December 2017	At 1 January 2017
		£	£
FIXED ASSETS			
Intangible assets - negative goodwill	4	-	(13,452)
- positive goodwill	4	114,979	77,372
Tangible assets	5	3,402,904	3,119,234
Investment	6	9,720	9,720
		3,527,603	3,192,874
CURRENT ASSETS			
Stock	7	855,044	574,019
Debtors	8	1,084,177	886,300
Cash at bank and in hand		831,250	536,112
		2,770,471	1,996,431
CREDITORS: Amounts falling due within one year	9	(1,702,957)	(1,206,202)
NET CURRENT ASSETS		1,067,514	790,229
TOTAL ASSETS LESS CURRENT LIABILITIES		4,595,117	3,983,103
CREDITORS: Amounts falling due after more than one year	10	(886,500)	(563,545)
PROVISIONS FOR LIABILITIES	11	(491,209)	(467,222)
NET ASSETS		3,217,408	2,952,336
CAPITAL AND RESERVES			
Called up share capital	12	320,000	320,000
Revaluation reserve		1,197,128	1,197,596
Profit and loss account		1,700,280	1,434,740
TOTAL EQUITY		3,217,408	2,952,336

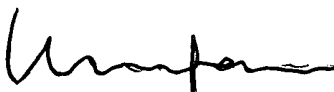
The directors of the group have elected not to include a copy of the Income Statement within the financial statements.

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

The financial statements on pages 2 to 23 were approved by the board and authorised for issue on 27 April 2018 and are signed on its behalf by:



JMA Fendek
Director



MK Jones
Director

Company Registration No. 07052616

James Kent Consolidated Limited
COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Note	At 31 December 2017 £	At 1 January 2017 £
FIXED ASSETS			
Intangible assets	4	56,951	-
Tangible assets	5	2,917,087	2,545,770
Investments	6	1,626,564	1,626,563
		<u>4,600,602</u>	<u>4,172,333</u>
CURRENT ASSETS			
Stock	7	177,308	-
Debtors	8	72,253	16,920
Cash at bank and in hand		401,065	322,657
		<u>650,626</u>	<u>339,577</u>
CREDITORS: Amounts falling due within one year	9	<u>(672,558)</u>	<u>(234,855)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(21,932)</u>	<u>104,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,578,670</u>	<u>4,277,055</u>
CREDITORS: Amounts falling due after more than one year	10	<u>(881,500)</u>	<u>(536,434)</u>
PROVISIONS FOR LIABILITIES	11	<u>(286,379)</u>	<u>(229,183)</u>
NET ASSETS		<u>3,410,791</u>	<u>3,511,438</u>
CAPITAL AND RESERVES			
Called up share capital	12	320,000	320,000
Revaluation reserve		329,044	329,044
Profit and loss account		2,761,747	2,862,394
TOTAL EQUITY		<u>3,410,791</u>	<u>3,511,438</u>

The directors of the group have elected not to include a copy of the Income Statement within the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The financial statements on pages 2 to 23 were approved by the board and authorised for issue on 27 April 2018 and are signed on its behalf by:


JMA Fendek
Director


MK Jones
Director

Company Registration No. 07052616

James Kent Consolidated Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

James Kent Consolidated Limited ("the Company") is a private Company limited by shares, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Fountain Street, Fenton, Stoke on Trent, Staffordshire, ST4 2HB.

The Group consists of James Kent Consolidated Limited and all of its subsidiaries.

The Company's and the Group's principal activities are included in the directors report.

BASIS OF ACCOUNTING

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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. 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.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of James Kent Consolidated Limited and its subsidiary undertakings. Subsidiaries acquired are consolidated using the purchase method and their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in the subsidiary and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is capitalised as purchased goodwill or negative goodwill and amortised through the profit and loss account over its estimated economic life or matched to the life of the assets where it relates to negative goodwill. Provision is made for any impairment. All subsidiaries have period ends of 31 December 2017.

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

GOING CONCERN

The Group meets its day-to-day working capital requirements through an invoice discounting facility that was agreed on October 2011 and thereafter was on a rolling basis with three months notice together with an agreed overdraft facility and bank loan.

The Company's and Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company and the Group should be able to operate within the current level of the invoice discounting facility and bank facilities.

The directors, having assessed the forecasts and information available, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of James Kent (Consolidated) Limited to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

James Kent Consolidated Limited

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Land and buildings are accounted for separately even when acquired together.

Freehold buildings	-	2.5% per annum
Plant and machinery	-	10% per annum on cost
Fixtures, fittings, tools and equipment	-	25% per annum on cost
Adaptation costs	-	5% per annum

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

REVALUATION OF PROPERTIES

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

INTANGIBLE FIXED ASSETS – GOODWILL

Goodwill is capitalised and written off evenly over 5-10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. Amortisation is included within Administration expenses.

Negative goodwill arises when the cost of a business combination is less than that of the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit of 8 years .

INVESTMENT PROPERTIES

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

INVESTMENTS

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

James Kent Consolidated Limited

ACCOUNTING POLICIES

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

LEASED ASSETS AND OBLIGATIONS

All leases are “operating leases” and the annual rentals are charged to the statement of comprehensive income on a straight line basis over the lease term.

PENSION COSTS

The Group operates a defined contribution scheme. The amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

James Kent Consolidated Limited

ACCOUNTING POLICIES

TAXATION (continued)

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Sale of speciality technical glasses, refractory coatings and frits

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of speciality technical glasses, refractory coatings and frits are recognised when goods are delivered and legal title has passed and the Group has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer.

RESEARCH AND DEVELOPMENT

All research and other development costs are written off as incurred.

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. No provisions were held at the period ends.

James Kent Consolidated Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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 Group after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Deferred consideration

Deferred consideration relates to amounts due on former acquisitions payable by the Group to third parties on an agreed basis.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year is disclosed on the company's Statement of Financial Position.

PROFIT AND LOSS RESERVE

The cumulative profit and loss net of distributions to owners.

REVALUATION RESERVES

The cumulative revaluation gains and losses in respect of land and buildings except revaluation gains and losses recognised in profit and loss.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

1 EMPLOYEES

The average number of persons employed by the Group during the period (including directors) were as follows:

	364 day period ended 31 December 2017 Number	364 day period ended 1 January 2017 Number
Production	20	20
Sales and administration	18	18
	<u>38</u>	<u>38</u>

The average number of persons employed by the Company during the period (including directors) was 11 (1 January 2017: 11).

2 DIRECTORS' REMUNERATION

	364 day period ended 31 December 2017 £	364 day period ended 1 January 2017 £
Emoluments	86,096	90,718
Contributions to money purchase pension schemes	182,795	199,994
	<u>268,891</u>	<u>290,712</u>

	364 day period ended 31 December 2017 Number	364 day period ended 1 January 2017 Number
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension schemes	<u>5</u>	<u>5</u>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

2 DIRECTORS' REMUNERATION (continued)

Directors emoluments disclosed include the following payments:

	364 day period ended 31 December 2017 £	364 day period ended 1 January 2017 £
Highest paid director		
Emoluments	26,504	16,563
Contributions to money purchase pension schemes	43,691	58,650
	70,195	75,213

3 DIVIDENDS

Dividends amounting to £531,795 were paid in the year at 166.2p per share and (1 January 2017: £451,806 were paid in the year at 141.2p per share).

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

4 INTANGIBLE FIXED ASSETS

GROUP	Positive Goodwill £	Negative goodwill £
<i>Cost</i>		
At beginning of period	193,436	(107,427)
Additions	56,951	-
	<hr/>	<hr/>
At end of period	250,387	(107,427)
	<hr/>	<hr/>
<i>Amortisation</i>		
At beginning of period	116,064	(93,975)
Charge/(release) in the period	19,344	(13,452)
	<hr/>	<hr/>
At end of period	135,408	(107,427)
	<hr/>	<hr/>
<i>Carrying amount</i>		
At 31 December 2017	114,979	-
	<hr/>	<hr/>
At 1 January 2017	77,372	(13,452)
	<hr/>	<hr/>

The directors are of the opinion that negative goodwill of £107,427 relates to the plant and machinery held within its subsidiary, James Kent (Ceramic Materials) Limited and will be credited to the profit and loss account annually in line with the depreciation policy.

The directors consider the economic life of the positive goodwill arising on acquisition to be 10 years.

ACQUISITION

On 31 December 2017, the company acquired the trade and assets of PE Hines & Sons Limited. The cost of the acquisition comprised £253,797 of cash consideration, including £218,427 of deferred consideration.

Consolidated turnover and consolidated profit after tax have not been impacted by the current acquisition.

The goodwill arising on acquisition of £56,951 is considered to have a useful life of 5 years.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

4 INTANGIBLE FIXED ASSETS (continued)

ACQUISITION (continued)

The acquisition has been accounted for using the acquisition method of accounting. At 31 December 2017 the assets have been consolidated at their fair values to the Group as listed below:

NET ASSETS	Initial book value £	Fair value adjustment £	Fair value at the date of acquisition £
Tangible fixed assets	3,496	-	3,496
Stocks	167,695	9,613	177,308
Debtors	16,042	-	16,042
	<hr/>	<hr/>	<hr/>
Total assets	187,233	9,613	196,846
	<hr/>	<hr/>	<hr/>
Goodwill			56,951
			<hr/>
Total consideration			253,797
			<hr/>

James Kent Consolidated Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 364 day period ended 31 December 2017

5 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings	Assets under construction	Adaptation costs	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£	£	£	£
<i>Cost or valuation</i>						
At beginning of period						
- Cost	9,380	423,344	323,960	1,446,515	72,431	2,275,630
- Valuation	1,870,000	-	-	-	-	1,870,000
Additions	339,253	-	-	85,059	-	424,312
Disposals	-	-	-	-	(8,991)	(8,991)
Transfers	423,344	(423,344)	-	-	-	-
At end of period	771,977	-	323,960	1,531,574	63,440	2,690,951
COST	771,977	-	323,960	1,531,574	63,440	2,690,951
VALUATION	1,870,000	-	-	-	-	1,870,000
<i>Depreciation</i>						
At beginning of period	57,055	-	63,263	853,817	52,261	1,026,396
Charged in the period	24,471	-	16,198	91,687	8,286	140,642
On disposals	-	-	-	-	(8,991)	(8,991)
At end of period	81,526	-	79,461	945,504	51,556	1,158,047
<i>Carrying amount</i>						
At 31 December 2017	2,560,451	-	244,499	586,070	11,884	3,402,904
At 1 January 2017	1,822,325	423,344	260,697	592,698	20,170	3,119,234

Included in freehold land and buildings is £1,146,872 (1 January 2017: £1,146,872) which relates to land and is not depreciated.

Adaptation costs have been separately classified in the notes to the financial statements. These adaptation costs relate to specialised work in respect of the freehold buildings required for the specific purpose of the trade of the business, in particular in respect of the Grinding Mill utilised in the trade.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

5 TANGIBLE FIXED ASSETS (continued)

Particulars relating to revalued assets are given below:	At 31 December 2017 £	At 1 January 2017 £
LAND AND BUILDINGS		
Historical cost of revalued assets	751,952	751,952
Aggregate depreciation based on historical cost	(154,422)	(138,341)
Historical cost net book value	597,530	613,611

On 9 April 2014 the freehold land and buildings of the James Kent Consolidated Limited Group were revalued by chartered surveyors, Butters John Bee. The open market value of the freehold interest in the property free from encumbrance, with the benefit of full possession is £1,870,000. The valuation had been carried out in accordance with the guidance notes issued by The Royal Institute of Chartered Surveyors for Asset Valuations.

COMPANY	Investment property £	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At beginning of period	1,738,625	423,344	448,070	26,868	2,636,907
Additions	339,253	-	85,059	-	424,312
Transfer	423,344	(423,344)	-	-	-
At end of period	2,501,222	-	533,129	26,868	3,061,219
COST	762,597	-	553,129	26,868	1,342,594
VALUATION	1,738,625	-	-	-	1,738,625
<i>Depreciation</i>					
At beginning of period	-	-	81,808	9,329	91,137
Charge for the period	-	-	46,296	6,699	52,995
At end of period	-	-	128,104	16,028	144,132
<i>Carrying amount</i>					
At 31 December 2017	2,501,222	-	405,025	10,840	2,917,087
At 1 January 2017	1,738,625	423,344	366,262	17,539	2,545,770

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

5 TANGIBLE FIXED ASSETS (continued)

On 9 April 2014 the investment property of the James Kent Consolidated Limited Group was revalued by the chartered surveyors, Butters John Bee. The open market value of the freehold interest in the property free from encumbrance, with the benefit of full possession is £1,870,000. The valuation has been carried out in accordance with the guidance notes issued by The Royal Institute of Chartered Surveyors for Asset Valuations.

Of the total valuation of £1,870,000; £1,729,245 has been allocated to James Kent Consolidated Limited being the estimated value of the property held in this Company. The directors have reassessed this position and consider the value continues to be appropriate.

Particulars relating to revalued assets are given below:	31 December 2017 £	1 January 2017 £
INVESTMENT PROPERTY		
Historical cost of revalued assets	1,420,896	1,420,896
Aggregate depreciation based on historical cost	-	-
	<hr/>	<hr/>
Historical cost net book value	1,420,896	1,420,896
	<hr/>	<hr/>

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 364 day period ended 31 December 2017

6	INVESTMENTS COMPANY	Shares in subsidiary undertakings £	Other investments £	Total £
	<i>Cost</i>			
	At beginning of period	1,695,843	9,720	1,705,563
	Additions	1	-	1
	At end of period	1,695,844	9,720	1,705,654
	<i>Impairment</i>			
	At beginning and end of period	79,000	-	79,000
	<i>Carrying amount</i>			
	At end of period	1,616,844	9,720	1,626,564
	At beginning of period	1,616,843	9,720	1,626,563

The addition in the year relates to the acquisition of PE Hines Limited.

The Company holds more than 20% of the equity of the following subsidiary undertakings and associated company:

	<i>Class of holding</i>	<i>Percentage</i>	<i>Principal activity</i>
James Kent (Ceramic Materials) Limited	Ordinary	100%	Manufacture and supply of speciality technical glasses, refractory coatings and frits.
Cera Dynamics Limited	Ordinary	100%	Development and production of glass ceramics and technical glasses.
KMCI limited	Ordinary	100%	A general commercial Company and manufacturer of colours and pigments.
Martin Colour Company Limited	Ordinary	100%	A supplier of ceramic colours and colouring oxides
James Kent Group Limited	Ordinary	100%	Dormant
PE Hines Limited	Ordinary	100%	Dormant

The registered address of the subsidiary entities is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

	Other investments £
GROUP	
At beginning and end of period	9,720
<i>Impairment</i>	
At beginning and end of period	-
<i>Carrying amount</i>	
At beginning and end of period	9,720

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 31 December 2017

7 STOCKS

	GROUP		COMPANY	
	31	1	31	1
	December	January	December	January
	2017	2017	2017	2017
	£	£	£	£
Raw materials	206,318	203,222	-	-
Work in progress	27,400	23,290	-	-
Finished goods	621,326	347,507	177,308	-
	<u>855,044</u>	<u>574,019</u>	<u>177,308</u>	<u>-</u>

8 DEBTORS

	GROUP		COMPANY	
	31	1	31	1
	December	January	December	January
	2017	2017	2017	2017
	£	£	£	£
<i>Amounts due in less than one year:</i>				
Trade debtors	895,266	717,927	4,800	-
Amounts due from Group companies	-	-	44,885	16,920
Other debtors	91,889	89,037	22,568	-
Prepayments	97,022	79,336	-	-
	<u>1,084,177</u>	<u>886,300</u>	<u>72,253</u>	<u>16,920</u>

James Kent Consolidated Limited
NOTES TO THE FINANCIAL STATEMENTS
for the 364 day period ended 31 December 2017

9 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	31	1	31	1
	December	January	December	January
	2017	2017	2017	2017
	£	£	£	£
Bank overdraft	-	91,353	-	-
Bank loan (see note 10)	136,111	98,867	-	65,147
Trade creditors	302,463	283,608	-	-
Amounts owed to Group undertakings	-	-	245,128	-
Amounts due to invoice discounter	518,147	262,863	-	-
Other taxation and social security costs	37,554	43,950	-	-
Corporation tax	104,972	35,507	-	-
Other creditors	98,709	120,228	20,153	22,339
Accruals and deferred income	151,508	86,959	53,784	-
Deferred consideration	204,927	26,976	204,927	-
Directors' loans	148,566	147,369	148,566	147,369
Payment on account	-	8,522	-	-
	1,702,957	1,206,202	672,558	234,855

James Kent Consolidated Limited
NOTES TO THE FINANCIAL STATEMENTS
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10 CREDITORS: Amounts falling due after more than one year

	GROUP		COMPANY	
	31	1	31	1
	December	January	December	January
	2017	2017	2017	2017
	£	£	£	£
Bank loans	469,986	313,243	-	286,132
Amounts owed to group undertakings	-	-	464,986	-
Directors loans	403,014	250,302	403,014	250,302
Deferred consideration	13,500	-	13,500	-
	886,500	563,545	881,500	536,434

The bank loans are repayable on a monthly basis and incur interest at rates of 2% and 2.43% above base rate. The base rate at the period end was 0.5%. The bank loans are repayable in December 2016, October 2017, February 2018 and March 2019.

The amounts owed by group undertakings has arisen in relation to the HSBC bank loan. The repayments and interest on the creditor will be in line with those for the loan described above.

National Westminster Bank Plc holds an all unscheduled debenture incorporating a fixed charge by way of legal mortgage on all freehold and leasehold property owned by the Group (including land); and a first legal charge on the freehold and leasehold properties of the Group not effectively mortgaged, all fixtures and fittings and all fixed plant and machinery.

HSBC Bank plc hold a debenture dated 18 August 2010 over the assets of the Group.

HSBC Invoice Finance (UK) Limited hold a fixed and floating charge on all the assets of the Group dated 10 November 2010.

HSBC Bank plc also has a charge over contract monies.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 31 December 2017

11 PROVISION FOR LIABILITIES

GROUP	Deferred taxation £
At beginning of period	467,222
Charge in period	23,987
At end of period	491,209

Deferred taxation is disclosed in the financial statements as follows:

	31 December 2017 £	1 January 2017 £
Provisions for liabilities	(491,209)	(467,222)

The amounts provided and unprovided for deferred taxation are set out below:

	31 December 2017		1 January 2017	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	324,832	-	280,534	-
Valuation of land and buildings	169,269	-	195,671	-
Trading losses	(2,892)	-	(2,892)	-
Other timing differences	-	(24,528)	(6,091)	(13,430)
	491,209	(24,528)	467,222	(13,430)

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 31 December 2017

11 PROVISION FOR LIABILITIES (continued)

The deferred tax asset of £24,528 (1 January 2017: £13,430) is not recognised due to uncertainty over the timing of its recovery.

COMPANY	Deferred taxation £
At beginning of period	229,183
Charge in period	57,196
At end of period	<u>286,379</u>

The amounts provided and unprovided for deferred taxation are set out below:

	31 December 2017		1 January 2017	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	190,268	-	133,072	-
Valuation of land and buildings	99,003	-	99,003	-
Trading losses	(2,892)	-	(2,892)	-
Other timing differences	-	(24,528)	-	(13,430)
	<u>286,379</u>	<u>(24,528)</u>	<u>229,183</u>	<u>(13,430)</u>

The deferred tax asset of £24,528 (1 January 2017: £13,430) is not recognised in the accounts due to uncertainty over the timing of when it will be recovered.

12 CALLED UP SHARE CAPITAL

	At 31 December 2017 £	At 1 January 2017 £
Allotted, called up and fully paid:		
128,000 ordinary A shares of £1	128,000	128,000
112,000 ordinary B shares of £1	112,000	112,000
80,000 ordinary C shares of £1	80,000	80,000
	<u>320,000</u>	<u>320,000</u>

The A, B and C ordinary shares have different rights attaching as detailed in the Articles of Association.

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 31 December 2017

13 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

GROUP	At 31 December 2017 £	At 1 January 2017 £
Plant and machinery		
Amounts due:		
Within one year	24,508	59,088
In the second to fifth years inclusive	25,842	33,715
	<u>50,350</u>	<u>92,803</u>

14 CONTINGENT LIABILITIES

All Group companies are members of a VAT Group. At 31 December 2017 the VAT exposure of the VAT Group excluding that of the Company was £nil (1 January 2017: £nil).

National Westminster Bank Plc holds an all unscheduled debenture incorporating a fixed charge by way of legal mortgage on all freehold and leasehold property owned by the Company (including land); and a first legal charge on the freehold and leasehold properties of the Company not effectively mortgaged, all fixtures and fittings and all fixed plant and machinery.

The Company has a signed cross guarantee to secure the bank indebtedness with National Westminster Bank Plc to James Kent (Ceramic Materials) Limited, KMCI Limited, James Kent Consolidated Limited, Cera Dynamics Limited, Martin Colour Company Limited and James Kent Group Limited. At the period end this was £nil (1 January 2017: £374,688).

HSBC Invoice Finance (UK) Limited hold a fixed and floating charge on all the assets of the Company dated 10 November 2010.

HSBC Bank plc hold a debenture dated 18 August 2010 over the assets of the Company.

HSBC Bank plc also has a charge over contract monies.

The Company has signed a multilateral cross guarantee to secure the bank indebtedness with HSBC Bank Plc with KMCI Limited, James Kent Consolidated, Cera Dynamics Limited, James Kent Group Limited and Martin Colour Company Limited. The exposure at the period end was £373,516 (1 January 2017: £145,585).

James Kent Consolidated Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 364 day period ended 31 December 2017

15 RELATED PARTY TRANSACTIONS

The following directors and shareholders of the Company have loaned money to the Company and Group during the period. The amount outstanding at 31 December 2017 is:

	As at 1 January 2017	Maximum Amount	As at 31 December 2017
	£	£	£
Directors loan accounts	397,671	567,650	551,580

Interest is levied on these loans at a rate of 10% on short term loans and 12% on long term loans resulting in a charge of £nil (1 January 2017: £nil).

The directors purchased services from the company in the year totalling £44,996 (2016: £33,747). There was an outstanding balance at the year end of £4,500 due to the company (2016: £nil).

The company purchased services from close family members of a director. These transactions totalled £2,332 (2016: £nil) and there was no outstanding balance at the year end (2016: £nil).

16 CONTROLLING PARTY

There is no ultimate controlling party.

17 AUDIT REPORT

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 Adam Krupski; and
- The auditor was RSM UK Audit LLP.