

Registration number: 02321244

# A. & J. KEITH LIMITED

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2018

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18/07/2018  
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# **A. & J. Keith Limited**

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# **A. & J. Keith Limited**

## **Company Information**

**Director** J McIver

**Registered office** 189 Vine Street  
Wallsend  
Tyne and Wear  
NE28 6JB

**Solicitors** Mulcahy Smith  
20-23 Regent Terrace  
Gateshead  
Tyne and Wear  
NE8 1LU

**Bankers** HSBC Bank plc  
110 Grey Street  
Newcastle upon Tyne  
NE1 6JG

**Accountants** Tait Walker LLP  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

## A. & J. Keith Limited

(Registration number: 02321244)

### Statement of Financial Position as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	660,343	3,317,676
<b>Current assets</b>			
Stocks	5	112,593	72,408
Debtors	6	2,041,816	1,917,689
Cash at bank and in hand		<u>421,072</u>	<u>245,267</u>
		2,575,481	2,235,364
<b>Creditors: Amounts falling due within one year</b>	7	<u>(988,508)</u>	<u>(1,772,322)</u>
<b>Net current assets</b>		<u>1,586,973</u>	<u>463,042</u>
<b>Total assets less current liabilities</b>		2,247,316	3,780,718
<b>Creditors: Amounts falling due after more than one year</b>	7	(110,995)	(173,798)
<b>Provisions for liabilities</b>		<u>(120,552)</u>	<u>(95,194)</u>
<b>Net assets</b>		<u>2,015,769</u>	<u>3,511,726</u>
<b>Capital and reserves</b>			
Called up share capital		250	250
Profit and loss account		<u>2,015,519</u>	<u>3,511,476</u>
<b>Total equity</b>		<u>2,015,769</u>	<u>3,511,726</u>

For the financial year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

The notes on pages 4 to 10 form an integral part of these financial statements.

**A. & J. Keith Limited**

**(Registration number: 02321244)**

**Statement of Financial Position as at 31 March 2018 (continued)**

Approved and authorised by the director on 13/07/2018



.....  
J McIver  
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

# **A. & J. Keith Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales. The address of its registered office is 189 Vine Street, Wallsend, Tyne and Wear, NE28 6JB.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## **A. & J. Keith Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Equipment	15% reducing balance
Other assets	5% straight line/No depreciation

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## **A. & J. Keith Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.



## A. & J. Keith Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 2 Accounting policies (continued)

##### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 32 (2017 - 33).

#### 4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 April 2017	165,000	3,093,024	33,138	24,631	202,948	3,518,741
Additions	-	231,917	-	21,717	-	253,634
Disposals	(165,000)	(2,754,323)	-	-	(84,313)	(3,003,636)
At 31 March 2018	-	570,618	33,138	46,348	118,635	768,739
<b>Depreciation</b>						
At 1 April 2017	16,500	72,962	13,139	8,001	90,449	201,051
Charge for the year	3,300	9,424	2,998	4,264	15,059	35,045
Eliminated on disposal	(19,800)	(76,680)	-	-	(31,220)	(127,700)
At 31 March 2018	-	5,706	16,137	12,265	74,288	108,396
<b>Carrying amount</b>						
At 31 March 2018	-	564,912	17,001	34,083	44,347	660,343
At 31 March 2017	148,500	3,020,049	19,999	16,629	112,499	3,317,676

Included within the net book value of land and buildings above is £Nil (2017 - £148,500) in respect of freehold land and buildings.

## A. & J. Keith Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 5 Stocks

	2018 £	2017 £
Work in progress	6,665	-
Other inventories	105,928	72,408
	<u>112,593</u>	<u>72,408</u>

#### 6 Debtors

	Note	2018 £	2017 £
Trade debtors		711,110	1,821,182
Amounts owed by group undertakings	9	1,239,622	26,650
Prepayments		87,581	69,706
Other debtors		3,503	151
		<u>2,041,816</u>	<u>1,917,689</u>

#### 7 Creditors

##### Creditors: amounts falling due within one year

	Note	2018 £	2017 £
<b>Due within one year</b>			
Bank loans and overdrafts	8	58,873	241,537
Trade creditors		594,859	729,329
Taxation and social security		121,890	420,492
Accruals and deferred income		15,362	11,861
Other creditors		1,552	1,134
Corporation tax liability		133,845	343,102
Directors loan accounts		62,127	24,867
		<u>988,508</u>	<u>1,772,322</u>

The bank loans and overdrafts are secured on the assets of the company.

## A. & J. Keith Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 7 Creditors (continued)

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
<b>Due after one year</b>			
Loans and borrowings	8	<u>110,995</u>	<u>173,798</u>

The bank loans and overdrafts are secured on the assets of the company.

#### 8 Loans and borrowings

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank borrowings	58,873	230,793
Finance lease liabilities	-	10,744
	<u>58,873</u>	<u>241,537</u>
	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	110,995	163,949
Finance lease liabilities	-	9,849
	<u>110,995</u>	<u>173,798</u>

The bank loans and overdrafts are secured on the assets of the company.

#### 9 Related party transactions

Transactions with directors

	At 1 April 2017 £	Advances to directors £	Repayments by director £	At 31 March 2018 £
<b>2018</b>				
<b>J McIver</b>				
Director's Loan Account	<u>(24,867)</u>	<u>(144,868)</u>	<u>107,608</u>	<u>(62,127)</u>
	At 1 April 2016 £	Advances to directors £	Repayments by director £	At 31 March 2017 £
<b>2017</b>				
<b>J McIver</b>				
Director's Loan Account	<u>(29,244)</u>	<u>(21,300)</u>	<u>25,677</u>	<u>(24,867)</u>

## **A. & J. Keith Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **10 Parent and ultimate parent undertaking**

The company's immediate parent is Heat Solutions (N.E.) Limited, incorporated in England and Wales.