

**A. & J. KEITH LIMITED**  
Filleter Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2021

**A. & J. Keith Limited**

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# A. & J. Keith Limited

## Company Information

<b>Director</b>	J McIver
<b>Registered office</b>	189 Vine Street Wallsend Tyne and Wear NE28 6JB
<b>Solicitors</b>	Mulcahy Smith 20-23 Regent Terrace Gateshead Tyne and Wear NE8 1LU
<b>Accountants</b>	MHA Tait Walker Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Lloyds Bank plc 102 Grey Street Newcastle upon Tyne NE99 1SL  HSBC Bank plc 110 Grey Street Newcastle upon Tyne NE1 6JG

# A. & J. Keith Limited

(Registration number: 02321244)

## Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	639,139	672,482
<b>Current assets</b>			
Stocks	<u>5</u>	94,806	122,149
Debtors	<u>6</u>	5,719,356	4,753,944
Cash at bank and in hand		<u>545,229</u>	<u>141,477</u>
		6,359,391	5,017,570
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	<u>(1,664,071)</u>	<u>(1,427,634)</u>
<b>Net current assets</b>		<u>4,695,320</u>	<u>3,589,936</u>
<b>Total assets less current liabilities</b>		5,334,459	4,262,418
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	<u>(259,849)</u>	<u>(133,459)</u>
<b>Provisions for liabilities</b>		<u>(55,679)</u>	<u>(60,501)</u>
<b>Net assets</b>		<u>5,018,931</u>	<u>4,068,458</u>
<b>Capital and reserves</b>			
Called up share capital		250	250
Profit and loss account		<u>5,018,681</u>	<u>4,068,208</u>
<b>Total equity</b>		<u>5,018,931</u>	<u>4,068,458</u>

For the financial year ending 31 March 2021 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.

Approved and authorised by the director on 16 December 2021

.....  
J McIver  
Director

The notes on pages 3 to 9 form an integral part of these financial statements.



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

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **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.

#### **Going concern**

The company meets its day to day working capital requirements through cash generated from operations. The director has assessed the potential impact of COVID-19 on the company and has implemented a business continuity plan to mitigate against this.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **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 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.

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

## **Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)**

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

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge 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.

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>
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Equipment	15% reducing balance
Fixtures and fittings	2% straight line

#### **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.

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

## **Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)**

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

#### **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.

#### **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.



## A. & J. Keith Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

#### 2 Accounting policies (continued)

##### 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.

##### 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 45 (2020 - 44).

#### 4 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	571,224	34,173	53,034	161,184	819,615
Additions	-	5,032	2,747	-	7,779
Disposals	-	-	-	(4,650)	(4,650)
At 31 March 2021	571,224	39,205	55,781	156,534	822,744
<b>Depreciation</b>					
At 1 April 2020	28,555	21,051	22,396	75,131	147,133
Charge for the year	11,424	2,509	4,779	21,463	40,175
Eliminated on disposal	-	-	-	(3,703)	(3,703)
At 31 March 2021	39,979	23,560	27,175	92,891	183,605
<b>Carrying amount</b>					
At 31 March 2021	531,245	15,645	28,606	63,643	639,139
At 31 March 2020	542,669	13,122	30,638	86,053	672,482

# A. & J. Keith Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

### 5 Stocks

	2021 £	2020 £
Work in progress	6,666	6,666
Other inventories	88,140	115,483
	<u>94,806</u>	<u>122,149</u>

### 6 Debtors

	2021 £	2020 £
Trade debtors	497,888	493,012
Prepayments	76,205	65,665
Other debtors	5,145,263	4,195,267
	<u>5,719,356</u>	<u>4,753,944</u>

### 7 Creditors

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

	Note	2021 £	2020 £
<b>Due within one year</b>			
Bank loans and overdrafts	8	275,297	289,732
Trade creditors		569,268	545,275
Taxation and social security		467,717	222,107
Accruals and deferred income		51,054	12,415
Other creditors		6,448	8,801
Corporation tax liability		278,971	325,150
Director's loan account		15,316	24,154
		<u>1,664,071</u>	<u>1,427,634</u>

The bank loans and overdrafts are secured on the assets of the company. Obligations under hire purchase contracts are secured by related assets.

#### Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
<b>Due after one year</b>			
Loans and borrowings	8	<u>259,849</u>	<u>133,459</u>

The bank loans and overdrafts are secured on the assets of the company. Obligations under hire purchase contracts are secured by related assets.

# A. & J. Keith Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

### 8 Loans and borrowings

	2021 £	2020 £
<b>Current loans and borrowings</b>		
Bank borrowings	250,930	254,359
Hire purchase and finance lease liabilities	24,367	35,373
	<u>275,297</u>	<u>289,732</u>
	2021 £	2020 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	259,849	109,093
Hire purchase and finance lease liabilities	-	24,366
	<u>259,849</u>	<u>133,459</u>

The bank loans and overdrafts are secured on the assets of the company. Obligations under hire purchase contracts are secured by related assets.

### 9 Financial commitments, guarantees and contingencies

#### Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position concerning pensions is £ 5,456 (2020 - £4,991).

### 10 Related party transactions

#### Transactions with directors

	At 1 April 2020 £	Advances to directors £	Repayments by director £	At 31 March 2021 £
<b>2021</b>				
<b>J McIver</b>				
Director's loan account	(24,154)	20,639	(11,800)	(15,315)
	<u></u>	<u></u>	<u></u>	<u></u>
	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
<b>2020</b>				
<b>J McIver</b>				
Director's loan account	(18,951)	2,217	(7,420)	(24,154)
	<u></u>	<u></u>	<u></u>	<u></u>

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

### **Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)**

#### **10 Related party transactions (continued)**

##### **Summary of transactions with other related parties**

Mclver Homes Limited is related to the company due to J. Mclver being a director in both companies. At the year end £5,138,483 (2020 - £4,211,638) was included within other debtors.

#### **11 Parent and ultimate parent undertaking**

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

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.