

**REGISTERED NUMBER: 02349548 (England and Wales)**

**Financial Statements**  
**for the Year Ended 31 December 2018**  
**for**  
**Klyne & Klyne Limited**

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for the Year Ended 31 December 2018**

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**Klyne & Klyne Limited**  
**Company Information**  
**for the Year Ended 31 December 2018**

<b>DIRECTORS:</b>	Mr Z Klyne Mrs R Klyne
<b>SECRETARY:</b>	Mrs R Klyne
<b>REGISTERED OFFICE:</b>	Reedham House 31 King Street West Manchester Greater Manchester M3 2PJ
<b>BUSINESS ADDRESS:</b>	Cornbrook, 2 Brindley Road Old Trafford Manchester M16 9HQ
<b>REGISTERED NUMBER:</b>	02349548 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Adam Caplan BSc (Hons) ACA
<b>AUDITORS:</b>	Freedman Frankl & Taylor Statutory Auditors Chartered Accountants Reedham House 31 King Street West Manchester M3 2PJ

**Klyne & Klyne Limited (Registered number: 02349548)**

**Balance Sheet  
31 December 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		232,577		257,353
<b>CURRENT ASSETS</b>					
Stocks	5	793,576		977,925	
Debtors	6	1,579,040		1,509,649	
Cash at bank and in hand		<u>2,446</u>		<u>12,536</u>	
		2,375,062		2,500,110	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>2,576,102</u>		<u>2,702,760</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(201,040)</u>		<u>(202,650)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			31,537		54,703
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		<u>5,851</u>		<u>29,666</u>
<b>NET ASSETS</b>			<u>25,686</u>		<u>25,037</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			100		100
Retained earnings			<u>25,586</u>		<u>24,937</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>25,686</u>		<u>25,037</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 20 September 2019 and were signed on its behalf by:

Mr Z Klyne - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

**1. STATUTORY INFORMATION**

Klyne & Klyne Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Significant judgements and estimates**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

**Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Tangible fixed assets**

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost
Improvements to property	- 20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of future payments is treated as a liability.

Operating leases are charged to the profit and loss account as they are incurred.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Going concern**

The company is reliant on the financial support of its parent undertaking Klyne & Klyne (Holdings) Limited and its fellow subsidiary who have indicated their support of the company for the foreseeable future.

On this basis, the directors' have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus has adopted the going concern basis of accounting in preparing the annual financial statements.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 19 (2017 - 23) .

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2018	241,649	176,991	169,804	588,444
Additions	14,780	26,465	4,171	45,416
Disposals	-	(33,304)	-	(33,304)
At 31 December 2018	<u>256,429</u>	<u>170,152</u>	<u>173,975</u>	<u>600,556</u>
<b>DEPRECIATION</b>				
At 1 January 2018	105,669	83,612	141,810	331,091
Charge for year	21,598	26,951	14,375	62,924
Eliminated on disposal	-	(26,036)	-	(26,036)
At 31 December 2018	<u>127,267</u>	<u>84,527</u>	<u>156,185</u>	<u>367,979</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>129,162</u>	<u>85,625</u>	<u>17,790</u>	<u>232,577</u>
At 31 December 2017	<u>135,980</u>	<u>93,379</u>	<u>27,994</u>	<u>257,353</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2018 and 31 December 2018	<u>73,395</u>
<b>DEPRECIATION</b>	
At 1 January 2018	14,350
Charge for year	<u>14,761</u>
At 31 December 2018	<u>29,111</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>44,284</u>
At 31 December 2017	<u>59,045</u>

5. **STOCKS**

	2018 £	2017 £
Goods for resale	<u>793,576</u>	<u>977,925</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	40,552	124,124
Other debtors	<u>1,538,488</u>	<u>1,385,525</u>
	<u>1,579,040</u>	<u>1,509,649</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts	37,387	33,121
Hire purchase contracts (see note 9)	23,815	23,815
Trade creditors	122,197	375,657
Amounts owed to group undertakings	1,427,555	1,765,314
Taxation and social security	131,445	87,108
Other creditors	833,703	417,745
	<u>2,576,102</u>	<u>2,702,760</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Hire purchase contracts (see note 9)	<u>5,851</u>	<u>29,666</u>

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	25,633	25,633
Between one and five years	<u>6,272</u>	<u>31,905</u>
	<u>31,905</u>	<u>57,538</u>
Finance charges repayable:		
Within one year	1,818	1,818
Between one and five years	<u>421</u>	<u>2,239</u>
	<u>2,239</u>	<u>4,057</u>
Net obligations repayable:		
Within one year	23,815	23,815
Between one and five years	<u>5,851</u>	<u>29,666</u>
	<u>29,666</u>	<u>53,481</u>
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	10,296	145,833
Between one and five years	<u>-</u>	<u>21,528</u>
	<u>10,296</u>	<u>167,361</u>



**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**10. SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	37,387	33,121
Hire purchase contracts	29,666	53,481
Other creditors	350,000	350,000
	<u>417,053</u>	<u>436,602</u>

**11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Adam Caplan BSc (Hons) ACA (Senior Statutory Auditor)  
for and on behalf of Freedman Frankl & Taylor

**12. CONTINGENT LIABILITIES**

The company has guaranteed the bank borrowings to a maximum of £250,000 of a company in which the directors of this company are shareholders.

Under cross-guarantee, the company has guaranteed finance facilities at 31 December 2018 amounting to £616,345 of companies in which one of the director of this company is a shareholder.

**13. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Section 1A "Small Entities" of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the company received management charges and recharged expenses amounting to £858,153 (2017: £768,326) and purchased goods amounting to £Nil (2017: £239,972) from companies in which the directors of this company are also the directors and shareholders. As at 31 December 2018, there was £795,078 (2017: £649,790) due from these entities.

During the year the company was charged rent amounting to £157,500 (2017: £157,500) and paid interest amounting to £4,375 (2017: £2,275) to a pension scheme in which the directors are both trustees and beneficiaries. As at 31 December 2018, the balance due to the pension scheme was £695,275 (2017: £549,150). At 31 December 2018, £350,000 (2017: £350,000) of this balance were secured on assets owned by the directors and shareholders of the company.

At 31 December 2018, there was a balance of £416,100 (2017: £406,100) due from a charity in which the directors are trustees.

At 31 December 2018, the balance due from a company in which the directors are also shareholders was £100,000 (2017: £100,000).

During the year rent amounting to £17,500 (2017: £8,862) was charged to the company by the directors. As at 31 December 2018, the balance due to the directors was £31,586 (2017: £10,586). There are no fixed repayment terms and no interest has been charged to the company in respect of this balance.

The finance facilities of the company are secured by a personal guarantee by the directors.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**14. ULTIMATE PARENT UNDERTAKING**

The company's parent undertaking at the balance sheet date was Klyne & Klyne (Holdings) Limited, a company incorporated and registered in England and Wales. Copies of the financial statements of Klyne & Klyne (Holdings) Limited can be obtained from the registered office of that company which is the same as this company and the address can be found on the Company Information page.

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