

Company registration number 02702974 (England and Wales)

THE KENDON ROPE & TWINE CO LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

THE KENDON ROPE & TWINE CO LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

THE KENDON ROPE & TWINE CO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	5	6,540	10,359
		<u>6,540</u>	<u>10,359</u>
Current assets			
Stocks		922,636	950,260
Debtors	6	5,633,486	5,258,850
Cash at bank and in hand		1,643,367	1,458,897
		<u>8,199,489</u>	<u>7,668,007</u>
Creditors: amounts falling due within one year	7	(627,532)	(403,216)
Net current assets		<u>7,571,957</u>	<u>7,264,791</u>
Net assets		<u>7,578,497</u>	<u>7,275,150</u>
Capital and reserves			
Called up share capital	8	200	200
Profit and loss reserves		7,578,297	7,274,950
Total equity		<u>7,578,497</u>	<u>7,275,150</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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 18 September 2023 and are signed on its behalf by:

Mr Alistair Kendon
Director

Company Registration No. 02702974

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

The Kendon Rope & Twine Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Innova Way, Innova Park, Enfield, London, EN3 7FL.

1.1 Accounting convention

These financial statements have been prepared under historical cost convention and 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 amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimate. It also requires management to exercise judgment in applying the company's accounting policies. The principal accounting policies adopted are set out below.

1.2 Turnover

Revenue is recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are despatched to customers.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a straight line basis over its expected life.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at historical cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method:

Plant and equipment	5 years
Fixtures and fittings	5 years
Motor vehicles	4 years

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 the statement of income and retained earnings.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 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, it is based on an average cost basis. Work in progress and finished goods include labour and attributable overheads.

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 the statement of income and retained earnings. Reversals of impairment losses are also recognised in the statement of income and retained earnings.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets repayable without penalty on notice of not more than 24 hours and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Financial instruments

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term creditors are measured at the transaction price.

1.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of income and retained earnings 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.

1.9 Retirement benefits

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in an independent administered funds.

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Leases

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.11 Foreign exchange

The company's functional and presentational currency is GBP.

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 the statement of income and retained earnings.

1.12 Interest income

Interest income is recognised in the statement of income and retained earnings in the period in which it is earned.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- Stock is included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.
- The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of trade debtors in question.

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Employees

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

	2023 Number	2022 Number
Total	16	16

4 Intangible fixed assets

Goodwill £

Cost

At 1 April 2022 and 31 March 2023

213,000

Amortisation and impairment

At 1 April 2022 and 31 March 2023

213,000

Carrying amount

At 31 March 2023

-

At 31 March 2022

-

5 Tangible fixed assets

Plant and machinery etc

£

Cost

At 1 April 2022

262,403

Additions

998

At 31 March 2023

263,401

Depreciation and impairment

At 1 April 2022

252,044

Depreciation charged in the year

4,817

At 31 March 2023

256,861

Carrying amount

At 31 March 2023

6,540

At 31 March 2022

10,359

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	770,037	817,802
Other debtors	4,863,449	4,441,048
	<u>5,633,486</u>	<u>5,258,850</u>

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	171,792	184,410
Corporation tax	136,198	103,321
Other taxation and social security	257,808	73,791
Other creditors	61,734	41,694
	<u>627,532</u>	<u>403,216</u>

8 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	90	90	90	90
Ordinary B shares of £1 each	20	20	20	20
Ordinary C shares of £1 each	90	90	90	90
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

9 Related party transactions

THE KENDON ROPE & TWINE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Related party transactions

(Continued)

During the year, the company entered into the following transactions with Kendon Packaging Group Plc (KPG) and its subsidiaries, of which A Kendon and F Kendon are directors.

The company paid rent totalling £145,440 (2022: £145,440) and received rent totalling £26,800 (2022: £26,400) from KPG.

The company paid management charges totalling £119,900 (2022: £119,900) to KPG.

The company charged interest on the loan balance owed by KPG of £219,058 (2022: £215,571).

The company made sales to KPG totalling £142,640 (2022: £212,745) and purchases from KPG totalling £197,664 (2022: £153,429).

At the year end, KPG owed the company £4,509,095 (2022: £4,080,712).

At the year end, the company owed KPG £Nil (2022: £Nil).

At the year end, the company owed £12,092 (2022: £12,092) to AJ Kendon, a director during the year.

10 Parent company

The ultimate controlling parties are considered to be AJ Kendon and L Kendon.

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.