

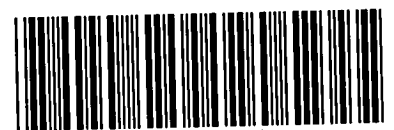
Registration number NI613387

M. Keys Limited

Directors' report and financial statements

for the year ended 30 September 2015

THURSDAY



J5G2DHG1

JNI

22/09/2016

#67

COMPANIES HOUSE

M. Keys Limited

Company information

Directors	Mr M Keys Mrs D Keys
Secretary	Mrs D Keys
Company number	NI613387
Registered office	5 Bolies Road Fivemiletown Co Tyrone BT75 0TT
Auditors	Hassard McClements Limited 32 East Bridge Street Enniskillen Co Fermanagh BT74 7BT
Bankers	Bank of Ireland 25 Campsie Road Omagh Co Tyrone BT79 0AE
Solicitors	Falls & Hanna Solicitors Limited 125 Main Street Fivemiletown Co Tyrone BT75 0PG

M. Keys Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Auditors' report	5 - 6
Consolidated Profit and Loss Account	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash flow statement	10
Notes to the financial statements	11 - 20

M. Keys Limited

Strategic report for the year ended 30 September 2015

Strategic Report

The strategic report ("the report") has been prepared in accordance with section 414c of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013. The report has been prepared for the group specifically and therefore provides greater emphasis to the matters which are significant to the group. It has been prepared solely to provide additional information to facilitate an assessment of how the Directors have performed their duty to promote success of the group.

Principal Activity

The principal activity of the group continues to be the farming of pigs and haulage.

Results and Dividends

The results for the year and the state of the group's affairs are shown in the attached financial statements. The profit for the year of £926,887 (2014: £1,269,810) has been taken to reserves. Final dividends were settled during the year of £144,000 (2014:£72,000).

Development and Financial Performance during the year

During the year to 30 September 2015 the directors focused on the following principal areas: continuing development of the current business; to become and remain a major supplier of production pigs to local slaughter houses; to maintain the highest standards in animal welfare; to provide the highest standards to its haulage operations; to ensure full compliance with environmental regulations and obligations; to maximise profit and continue to create local employment; to continue to build and work on relationships with customers and suppliers and to continue the growth strategy managing the risks in the business. The board manages the business through regular meetings and both directors are actively involved in the day to day running of the business. The board are constantly examining ways in which the business can be strengthened and further growth achieved. The financial performance of the group is as noted above under the heading "Results and Dividends". Both the level of the business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustainable for the foreseeable future.

Financial Risk Management objectives and policies

The group's principal financial instruments comprise cash, trade debtors and creditors and certain other debtors and accruals. The main risks associated with these financial assets are set out below.

Liquidity Risk

The group manages its cash and borrowing requirements to maximise interest income and minimise interest expense exposure, whilst ensuring that there are sufficient liquid resources to meet the operating needs of the business. The directors do not believe that the group has significant exposures arising from liquidity risks.

Foreign Currency Risk

The majority of the group's revenue and expenses are denominated in sterling, however, it is exposed to some foreign exchange risk during the normal course of business. This risk is managed by the directors through daily assessment, and if needs be, forward contracts.

M. Keys Limited
Strategic report
for the year ended 30 September 2015

..... continued

Commercial Risk

The principal commercial risk to the business are the major components of production costs, price per Kg of meat sold, legislative and customer requirements. The directors continually assess production costs, major elements being animal feeds, fuel costs and energy costs.

This report was approved by the Board on 13 September 2016 and signed on its behalf by


Mrs D Keys
Secretary

M. Keys Limited

Directors' report for the year ended 30 September 2015

The directors present their report and the financial statements for the year ended 30 September 2015.

Strategic Report

In accordance with section 414c(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Directors' have chosen to include the Strategic Report which details the company's business activities, together with the factors likely to affect its future development, performance and position.

Directors

The directors who served during the year are as stated below:

Mr M Keys

Mrs D Keys

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 year. Under that law the directors have elected to prepare the group and parent company 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 and company for that year.

In preparing these financial statements, the directors are required to:

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

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

M. Keys Limited

**Directors' report
for the year ended 30 September 2015**

..... continued

Auditors

Hassard McClements Limited are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board on 13 September 2016 and signed on its behalf by


Mrs D Keys
Secretary

**Independent auditor's report to the shareholders of
M. Keys Limited**

We have audited the financial statements of M. Keys Limited for the year ended 30 September 2015 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

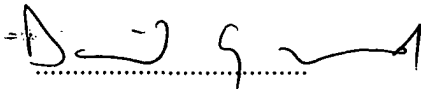
**Independent auditor's report to the shareholders of
M. Keys Limited**

.....continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr David Hassard FCA (senior statutory auditor)

**For and on behalf of Hassard McClements Limited, Statutory Auditors
Chartered Accountants and Registered Auditors**

Date: 13 September 2016

**32 East Bridge Street
Enniskillen
Co Fermanagh
BT74 7BT**

M. Keys Limited

**Consolidated Profit and Loss Account
for the year ended 30 September 2015**

		Continuing operations	
		2015	2014
	Notes	£	£
Turnover	2	17,801,432	21,092,933
Cost of sales		(14,190,562)	(16,978,894)
Gross profit		3,610,870	4,114,039
Administrative expenses		(2,390,672)	(2,422,424)
Other operating income		3,388	(11,241)
Operating profit	3	1,223,586	1,680,374
Other interest receivable and similar income		15	15
Interest payable and similar charges		(133,169)	(79,050)
Profit on ordinary activities before taxation		1,090,432	1,601,339
Tax on profit on ordinary activities	7	(163,545)	(331,529)
Profit for the year	16	926,887	1,269,810

There are no recognised gains or losses other than the profit or loss for the above two financial years.

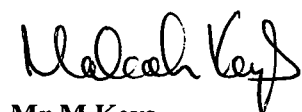
The notes on pages 11 to 20 form an integral part of these financial statements.

M. Keys Limited

**Consolidated Balance Sheet
as at 30 September 2015**

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		708,333		1,818,750
Tangible assets	10		4,297,701		3,111,791
Investments	11		286,709		231,646
			<u>5,292,743</u>		<u>5,162,187</u>
Current assets					
Stocks		3,452,011		2,191,590	
Debtors	12	5,281,789		5,622,350	
Cash at bank and in hand		195,066		133,044	
		<u>8,928,866</u>		<u>7,946,984</u>	
Creditors: amounts falling due within one year	13	(5,468,114)		(5,591,185)	
Net current assets			<u>3,460,752</u>		<u>2,355,799</u>
Total assets less current liabilities			8,753,495		7,517,986
Creditors: amounts falling due after more than one year	14		(2,789,220)		(2,576,181)
Net assets			<u>5,964,275</u>		<u>4,941,805</u>
Capital and reserves					
Called up share capital	15		1,000		1,000
Profit and loss account			<u>5,963,275</u>		<u>4,940,805</u>
Shareholders' funds	16		<u>5,964,275</u>		<u>4,941,805</u>

These accounts were approved by the directors on 13 September 2016, and are signed on their behalf by:



Mr M Keys
Director



Mrs D Keys
Director

Registration number NI613387

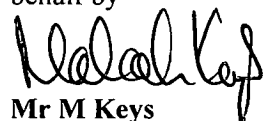
The notes on pages 11 to 20 form an integral part of these financial statements.

M. Keys Limited

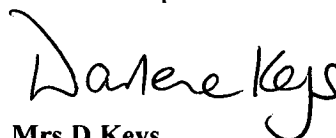
**Company Balance Sheet
as at 30 September 2015**

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Investments	11		2,001		2,001
Creditors: amounts falling due within one year	13	<u>(1,001)</u>		<u>(1,001)</u>	
Net current assets			<u>(1,001)</u>		<u>(1,001)</u>
Total assets less current liabilities			1,000		1,000
Net assets			<u>1,000</u>		<u>1,000</u>
Capital and reserves					
Called up share capital	15		1,000		1,000
Shareholders' funds	16		<u>1,000</u>		<u>1,000</u>

The financial statements were approved by the Board on 13 September 2016 and signed on its behalf by



Mr M Keys
Director



Mrs D Keys
Director

Registration number NI613387

The notes on pages 11 to 20 form an integral part of these financial statements.

M. Keys Limited

**Consolidated Cash Flow Statement
for the year ended 30 September 2015**

	Notes	2015 £	2014 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		1,223,586	1,680,374
Depreciation		366,190	469,307
(Increase) in stocks		(1,260,421)	671,512
Decrease in debtors		340,561	575,788
(Decrease) in creditors		(942,930)	(2,693,761)
Net cash outflow from operating activities		<u>(273,014)</u>	<u>703,220</u>
Cash flow statement			
Net cash outflow from operating activities		(273,014)	703,220
Returns on investments and servicing of finance	18	(129,273)	(79,035)
Taxation	18	(965)	(322,454)
Capital expenditure and financial investment	18	180,906	(955,574)
		(222,346)	(653,843)
Equity dividends paid		(144,000)	(72,000)
		(366,346)	(725,843)
Financing	18	(71,461)	1,039,673
Decrease in cash in the year		<u>(437,807)</u>	<u>313,830</u>
Reconciliation of net cash flow to movement in net debt (Note 19)			
Decrease in cash in the year		(437,807)	313,830
Cash outflow from decrease in debts and lease financing		71,461	(1,039,673)
Change in net debt resulting from cash flows		(366,346)	(725,843)
New finance leases and hire purchase contracts		(438,070)	(316,165)
Movement in net debt in the year		(804,416)	(1,042,008)
Net debt at 1 October 2014		<u>(2,889,079)</u>	<u>(1,847,071)</u>
Net debt at 30 September 2015		<u>(3,693,495)</u>	<u>(2,889,079)</u>

M. Keys Limited

Notes to the financial statements for the year ended 30 September 2015

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention modified to include the revaluation of certain fixed assets and financial instruments, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are as set out below.

1.2. Basis of consolidation

The group financial statements comprise the financial statements of M. Keys Limited ("the company") and its wholly owned subsidiaries:

M Keys Transport Limited;
M Keys Farms Limited; and
TPM Foods Limited.

together ("the group"). The financial statements of the company's subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions, including unrealised profits arising from inter-group transactions, are eliminated on consolidation. A profit and loss account has not been presented for M. Keys Limited as permitted by Section 408 of the Companies Act 2006.

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.4. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5. Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	NIL
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	15% reducing balance

M. Keys Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

1.6. Stock

Stock is valued at the lower of cost and net realisable value. Cost includes the actual purchase cost together with any carriage costs. Net realisable value is the value that the stock will sell for less the cost of selling it.

1.7. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.8. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.9. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

No analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the interests of the group.

3. Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	100,000	225,000
Depreciation and other amounts written off tangible assets	287,741	263,895
Net foreign exchange loss	3,116	5,046
Auditors' remuneration (Note 4)	4,500	3,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	21,551	19,588
Net foreign exchange gain	-	5,419
	<u> </u>	<u> </u>

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

4. Auditors' remuneration

	2015	2014
	£	£
Auditors' remuneration - audit of the financial statements	<u>4,500</u>	<u>3,000</u>

5. Employees

Number of employees	2015	2014
	Number	Number
The average monthly numbers of employees (including the directors) during the year were:	<u>68</u>	<u>66</u>

Employment costs	2015	2014
	£	£
Wages and salaries	1,559,401	1,407,603
Social security costs	47,480	132,242
Pension costs-other operating charge	<u>48,703</u>	<u>24,315</u>
	<u>1,655,584</u>	<u>1,564,160</u>

5.1. Directors' remuneration

	2015	2014
	£	£
Pension contributions	<u>48,703</u>	<u>24,315</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £48,703 (2014 - £24,315).

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2015	2014
	£	£
Current tax		
UK corporation tax	163,545	331,529
	<u>163,545</u>	<u>331,529</u>

8. Dividends

Dividends paid and proposed on equity shares

	2015	2014
	£	£
Paid during the year:		
Equity dividends on Ordinary shares	144,000	72,000
	<u>144,000</u>	<u>72,000</u>

9. Intangible fixed assets - Group

	Goodwill	Total
	£	£
Cost		
At 1 October 2014	2,250,000	2,250,000
Impairment losses	(1,250,000)	(1,250,000)
At 30 September 2015	<u>1,000,000</u>	<u>1,000,000</u>
Amortisation		
At 1 October 2014	431,250	431,250
On disposals	(239,583)	(239,583)
Charge for year	100,000	100,000
At 30 September 2015	<u>291,667</u>	<u>291,667</u>
Net book values		
At 30 September 2015	<u>708,333</u>	<u>708,333</u>
At 30 September 2014	<u>1,818,750</u>	<u>1,818,750</u>

The parent company does not hold any intangible fixed assets.

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

10. Tangible fixed assets - Group	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2014	672,030	4,027,501	23,216	69,625	4,792,372
Additions	1,024,184	513,466	1,289	13,750	1,552,689
Disposals	-	(311,250)	-	(7,575)	(318,825)
At 30 September 2015	<u>1,696,214</u>	<u>4,229,717</u>	<u>24,505</u>	<u>75,800</u>	<u>6,026,236</u>
Depreciation					
At 1 October 2014	-	1,649,288	11,000	20,294	1,680,582
On disposals	-	(234,667)	-	(5,121)	(239,788)
Charge for the year	-	274,594	1,554	11,593	287,741
At 30 September 2015	<u>-</u>	<u>1,689,215</u>	<u>12,554</u>	<u>26,766</u>	<u>1,728,535</u>
Net book values					
At 30 September 2015	<u>1,696,214</u>	<u>2,540,502</u>	<u>11,951</u>	<u>49,034</u>	<u>4,297,701</u>
At 30 September 2014	<u>672,030</u>	<u>2,378,213</u>	<u>12,216</u>	<u>49,331</u>	<u>3,111,790</u>

The parent company does not hold any tangible fixed assets.

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2015		2014	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Plant and machinery	909,021	148,623	783,180	118,136
Motor vehicles	21,629	3,817	25,447	4,491
	<u>930,650</u>	<u>152,440</u>	<u>808,627</u>	<u>122,627</u>

M. Keys Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

11. Fixed asset investments - Group

	Joint Ventures £	Total £
Cost		
At 1 October 2014	231,646	231,646
Additions	51,675	51,675
Share of Profit/(Loss) of Joint Ventures	3,388	3,388
At 30 September 2015	286,709	286,709
Net book values		
At 30 September 2015	286,709	286,709
At 30 September 2014	231,646	231,646

Fixed asset investments - Company

	Subsidiaries £	Total £
Cost		
At 1 October 2014	2,001	2,001
At 30 September 2015	2,001	2,001
Net book values		
At 30 September 2015	2,001	2,001
At 30 September 2014	2,001	2,001

11.1. Holdings of 20% or more - Company

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
M. Keys Transport Ltd	Northern Ireland	Freight transport	Ordinary	100%
M. Keys Farms Limited	Northern Ireland	Pig Farming	Ordinary	100%
TPM Foods Limited	Ireland	Pig Farming	Ordinary	100%

M Keys Limited is the parent company of the above named wholly owned subsidiaries, incorporated in Northern Ireland and Ireland. The financial statements of M Keys Limited reflect the transactions of the group as a whole.

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

12. Debtors	2015	2014
	£	£
Trade debtors	1,243,116	1,684,916
Other debtors	4,038,673	3,931,764
Prepayments and accrued income	-	5,670
	<u>5,281,789</u>	<u>5,622,350</u>

The parent company does not have any debtors.

13. Creditors: amounts falling due within one year - Group	2015	2014
	£	£
Bank overdraft	524,661	24,833
Bank loan	249,872	183,480
Net obligations under finance leases and hire purchase contracts	324,807	237,629
Trade creditors	2,646,133	2,370,385
Corporation tax	498,070	331,609
Other taxes and social security costs	91,983	24,403
Directors' accounts	1,051,150	2,282,150
Other creditors	11,754	41,392
Accruals and deferred income	69,684	95,304
	<u>5,468,114</u>	<u>5,591,185</u>

The parent company has creditors (Directors' accounts) of £1,001 (2014: £1,001).

14. Creditors: amounts falling due after more than one year - Group	2015	2014
	£	£
Bank loan	2,389,014	2,203,960
Net obligations under finance leases and hire purchase contracts	400,206	372,221
	<u>2,789,220</u>	<u>2,576,181</u>

The bank loans and overdrafts are secured on assets held by the directors personally.

The parent company does not have any creditors falling due after more than one year.

M. Keys Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

15. Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
16. Reconciliation of movements in shareholders' funds	2015	2014
	£	£
Profit for the year	926,887	1,269,810
Dividends	(144,000)	(72,000)
	<u>782,887</u>	<u>1,197,810</u>
Goodwill written off	239,583	-
	<u>1,022,470</u>	<u>1,197,810</u>
Net addition to shareholders' funds	4,941,805	3,743,995
Opening shareholders' funds	<u>5,964,275</u>	<u>4,941,805</u>
Closing shareholders' funds	<u> </u>	<u> </u>
Reconciliation of movements in shareholders' funds - Company	£	£
Profit for the year	144,000	72,000
Dividends	(144,000)	(72,000)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	-	-
Opening shareholders' funds	1,000	1,000
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>1,000</u>	<u>1,000</u>

The company has taken advantage of the exemption contained within Section 408 of the Companies Act 2006 not to present its own Profit & Loss Account. The only income in the company in the year was a receipt of dividends from a subsidiary company.

17. Controlling interest

The directors consider Mr M and Mrs D Keys to be the controlling parties.

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

18. Gross cash flows

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	15	15
Interest paid	(129,288)	(79,050)
	<u>(129,273)</u>	<u>(79,035)</u>
Taxation		
Corporation tax paid	<u>(965)</u>	<u>(322,454)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(1,114,619)	(799,395)
Payments to acquire investments	(51,675)	(225,387)
Receipts from sales of intangible assets	1,250,000	-
Receipts from sales of tangible assets	100,588	57,967
Receipts from profit on investments	(3,388)	11,241
	<u>180,906</u>	<u>(955,574)</u>
Financing		
New long term bank loan	471,375	2,418,625
Repayment of short term bank loan	(219,929)	(1,104,136)
Capital element of finance leases and hire purchase contracts	(322,907)	(274,816)
	<u>(71,461)</u>	<u>1,039,673</u>

M. Keys Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	133,044	62,022		195,066
Overdrafts	(24,833)	(499,828)		(524,661)
	<u>108,211</u>	<u>(437,806)</u>		<u>(329,595)</u>
Debt due within one year	(183,480)	(66,392)	-	(249,872)
Debt due after one year	(2,203,960)	(471,375)	286,321	(2,389,014)
Finance leases and hire purchase contracts	(609,850)	322,907	(438,070)	(725,013)
	<u>(2,997,290)</u>	<u>(214,860)</u>	<u>(151,749)</u>	<u>(3,363,899)</u>
Net funds	<u>(2,889,079)</u>	<u>(652,666)</u>	<u>(151,749)</u>	<u>(3,693,494)</u>