

A & G KING TIMBER LIMITED

Unaudited Financial Statements for year end 30 September, 2017.

Company Registration Number SC198132

THURSDAY



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24/05/2018

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COMPANIES HOUSE

SAINT & CO
CHARTERED ACCOUNTANTS

A & G King Timber Limited

Statement of Financial Position

30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	6,000	9,000
Tangible assets	6	1,717,440	1,773,611
Investments	7	50,143	313,352
		<u>1,773,583</u>	<u>2,095,963</u>
Current assets			
Stocks		64,000	69,000
Debtors	8	1,406,310	1,232,298
Cash at bank and in hand		62,118	5,605
		<u>1,532,428</u>	<u>1,306,903</u>
Creditors: amounts falling due within one year	9	(482,600)	(599,750)
Net current assets		<u>1,049,828</u>	<u>707,153</u>
Total assets less current liabilities		<u>2,823,411</u>	<u>2,803,116</u>
Creditors: amounts falling due after more than one year	10	–	(4,454)
Provisions			
Taxation including deferred tax		(136,462)	(150,682)
Net assets		<u>(2,686,949)</u>	<u>(2,647,980)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		2,686,849	2,647,880
Shareholders funds		<u>2,686,949</u>	<u>2,647,980</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The statement of financial position
continues on the following page.

The notes on pages 3 to 12 form part of these financial statements.

A & G King Timber Limited

Statement of Financial Position *(continued)*

30 September 2017

For the year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on ~~18/5/18~~....., and are signed on behalf of the board by:

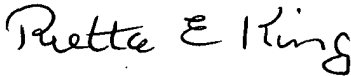
Mr A G King
Director



Mr G King
Director



Mrs R E King
Director



Company registration number: SC198132

The notes on pages 3 to 12 form part of these financial statements.

A & G King Timber Limited

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Rammerscales Sawmill, Hightae, Lockerbie, Dumfriesshire, DG2 9TJ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other 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.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Amortisation - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Property Improvements - 7% straight line
Plant & Equipment - 25% and 10% Straight Line
Motor Vehicles - 25% straight line

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Fixed asset investments are revalued to fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 24 (2016: 23).

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

5. Intangible assets

	Goodwill £
Cost	
At 1 October 2016 and 30 September 2017	<u>60,000</u>
Amortisation	
At 1 October 2016	51,000
Charge for the year	3,000
At 30 September 2017	<u>54,000</u>
Carrying amount	
At 30 September 2017	<u>6,000</u>
At 30 September 2016	<u>9,000</u>

6. Tangible assets

	Freehold property £	Short leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 2016	1,351,188	113,243	1,898,548	22,453	3,385,432
Additions	80,743	46,781	38,568	–	166,092
Disposals	(120,000)	–	(40,509)	–	(160,509)
Revaluations	47,981	–	–	–	47,981
At 30 September 2017	<u>1,359,912</u>	<u>160,024</u>	<u>1,896,607</u>	<u>22,453</u>	<u>3,438,996</u>
Depreciation					
At 1 October 2016	–	59,738	1,535,244	16,839	1,611,821
Charge for the year	–	12,311	116,511	5,614	134,436
Disposals	–	–	(24,701)	–	(24,701)
At 30 September 2017	<u>–</u>	<u>72,049</u>	<u>1,627,054</u>	<u>22,453</u>	<u>1,721,556</u>
Carrying amount					
At 30 September 2017	<u>1,359,912</u>	<u>87,975</u>	<u>269,553</u>	<u>–</u>	<u>1,717,440</u>
At 30 September 2016	<u>1,351,188</u>	<u>53,505</u>	<u>363,304</u>	<u>5,614</u>	<u>1,773,611</u>

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

6. Tangible assets *(continued)*

Included in the £1,359,912 Freehold property above is £1,082,109 relating to Investment Properties, which were valued by the Directors.

The historic cost of these investment properties was £520,277.

7. Investments

	Other investments other than loans £
Cost	
At 1 October 2016	313,352
Additions	88,821
Disposals	(350,727)
Revaluations	(1,303)
At 30 September 2017	50,143
Impairment	
At 1 October 2016 and 30 September 2017	—
Carrying amount	
At 30 September 2017	50,143
At 30 September 2016	313,352

8. Debtors

	2017 £	2016 £
Trade debtors	768,262	701,325
Other debtors	638,048	530,973
	1,406,310	1,232,298

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	–	59,106
Trade creditors	290,249	249,303
Corporation tax	94,518	151,340
Social security and other taxes	87,679	84,180
Other creditors	10,154	55,821
	<u>482,600</u>	<u>599,750</u>

10. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	–	4,454
	<u>–</u>	<u>4,454</u>

11. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A G King	400,100	184,561	(77,273)	507,388
Mr G King	(20,000)	20,000	–	–
	<u>380,100</u>	<u>204,561</u>	<u>(77,273)</u>	<u>507,388</u>

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A G King	170,000	230,100	–	400,100
Mr G King	–	–	(20,000)	(20,000)
	<u>170,000</u>	<u>230,100</u>	<u>(20,000)</u>	<u>380,100</u>

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

12. Related party transactions

During the year, Director Mr Alan King purchased a property from the company with a Market Value of £120,000.

No other transactions with related parties were undertaken, other than disclosed in the notes, such as are required to be disclosed under the FRS102 Section 1A.

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2015.

Reconciliation of equity

	1 October 2015			30 September 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	1,771,830	513,922	2,285,752	1,575,587	520,376	2,095,963
Current assets	1,132,013	–	1,132,013	1,306,903	–	1,306,903
Creditors: amounts falling due within one year	(647,746)	–	(647,746)	(599,750)	–	(599,750)
Net current assets	484,267	–	484,267	707,153	–	707,153
Total assets less current liabilities	2,256,097	513,922	2,770,019	2,282,740	520,376	2,803,116
Creditors: amounts falling due after more than one year	(33,775)	–	(33,775)	(4,454)	–	(4,454)
Provisions	(84,281)	(95,207)	(179,488)	(56,970)	(93,712)	(150,682)
Net assets	2,138,041	418,715	2,556,756	2,221,316	426,664	2,647,980
Capital and reserves	2,138,041	418,715	2,556,756	2,221,316	426,664	2,647,980

A & G King Timber Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

13. Transition to FRS 102 *(continued)*

1. Investment properties

The company is now accounting for investment properties at fair value, and adjustments have been made to reflect revaluation gains in the Profit and Loss reserve. A revaluation of £517,924 was reflected on transition to FRS102, increasing to £520,376 in the comparative balance sheet as at 30 September 2016. A deferred tax provision of £95,207 was established on transition to FRS 102 for the tax that would be payable if the properties were sold for their revalued amount at the year end date, decreasing to £93,712 in the comparative balance sheet at 30 September 2016. The movement of £1,495 is reflected in the reconciliation of profit and loss above.

2. Fixed asset investments

The company is now accounting for investments at fair value, and adjustments have been made to reflect revaluation gains in the Profit and Loss reserve. A revaluation of (£4,002) was reflected on transition to FRS102, increasing to £6,456 in the comparative balance sheet as at 30 September 2016. A deferred tax provision of £nil was established on transition to FRS 102 for the tax that would be payable if the investments were sold for their revalued amount at the year end date, with no movement in the comparative balance sheet at 30 September 2016.