

Company Registration No. SC447955 (Scotland)

**K M DUNCAN AGRICULTURAL ENGINEERING LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**PAGES FOR FILING WITH REGISTRAR**

# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

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# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Non-current assets</b>					
Intangible assets	3		40,625		81,250
Property, plant and equipment	4		31,064		45,821
			<u>71,689</u>		<u>127,071</u>
<b>Current assets</b>					
Inventories		80,500		47,110	
Trade and other receivables	5	144,065		170,407	
Cash and cash equivalents		19,350		71,792	
		<u>243,915</u>		<u>289,309</u>	
<b>Current liabilities</b>	6	(247,308)		(304,492)	
<b>Net current liabilities</b>			(3,393)		(15,183)
<b>Total assets less current liabilities</b>			68,296		111,888
<b>Non-current liabilities</b>	7		(28,000)		-
<b>Provisions for liabilities</b>			(4,925)		(7,516)
<b>Net assets</b>			<u>35,371</u>		<u>104,372</u>
<b>Equity</b>					
Called up share capital	8		200		200
Retained earnings			35,171		104,172
<b>Total equity</b>			<u>35,371</u>		<u>104,372</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2020 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.

# **K M DUNCAN AGRICULTURAL ENGINEERING LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 30 SEPTEMBER 2020***

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The financial statements were approved by the board of directors and authorised for issue on 12 May 2021 and are signed on its behalf by:

Mr K. Duncan  
**Director**

**Company Registration No. SC447955**

# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

K M Duncan Agricultural Engineering Limited is a private company limited by shares incorporated in Scotland. The registered office is The Smithy Main Road, Arncroach, Anstruther, Fife, KY10 2RQ.

#### **1.1 Accounting convention**

These financial statements have been prepared 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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

#### **1.2 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### **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 systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% Straight line basis
Fixtures and fittings	25% Straight line basis
Office equipment	25% Straight line basis
Motor vehicles	20% Straight line basis

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 profit or loss.

#### 1.5 Inventories

Inventories 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 inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 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 income statement 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.

# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### **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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2019 - 5).

### 3 Intangible fixed assets

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 October 2019 and 30 September 2020	325,000
<b>Amortisation and impairment</b>	
At 1 October 2019	243,750
Amortisation charged for the year	40,625
At 30 September 2020	284,375
<b>Carrying amount</b>	
At 30 September 2020	40,625
At 30 September 2019	81,250

# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Property, plant and equipment

	Plant and machinery etc	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2019	80,362	904	5,699	28,888	115,853
Additions	157	-	1,065	-	1,222
	<u>80,519</u>	<u>904</u>	<u>6,764</u>	<u>28,888</u>	<u>117,075</u>
At 30 September 2020	80,519	904	6,764	28,888	117,075
<b>Depreciation and impairment</b>					
At 1 October 2019	35,336	904	4,904	28,888	70,032
Depreciation charged in the year	15,169	-	810	-	15,979
	<u>50,505</u>	<u>904</u>	<u>5,714</u>	<u>28,888</u>	<u>86,011</u>
At 30 September 2020	50,505	904	5,714	28,888	86,011
<b>Carrying amount</b>					
At 30 September 2020	<u>30,014</u>	<u>-</u>	<u>1,050</u>	<u>-</u>	<u>31,064</u>
At 30 September 2019	<u>45,026</u>	<u>-</u>	<u>795</u>	<u>-</u>	<u>45,821</u>

### 5 Trade and other receivables

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade receivables	137,983	164,442
Other receivables	6,082	5,965
	<u>144,065</u>	<u>170,407</u>

### 6 Current liabilities

	2020 £	2019 £
Bank loans	2,000	-
Trade payables	52,134	141,586
Corporation tax	7,661	7,441
Other taxation and social security	8,017	2,102
Other payables	177,496	153,363
	<u>247,308</u>	<u>304,492</u>



# K M DUNCAN AGRICULTURAL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

**7 Non-current liabilities**

	2020 £	2019 £
Bank loans and overdrafts	28,000	-

**8 Called up share capital**

	2020 £	2019 £
Ordinary share capital Issued and fully paid 200 of £1 each	200	200

**9 Directors' transactions**

Dividends totalling £50,000 (2019 - £50,000) were paid in the year in respect of shares held by the company's directors.

**Summary of transactions with other related parties**

During the year the company made the following related party transactions:

Mr K Duncan and Mrs G Duncan  
(Directors of the company)

During the year the directors, Mr K Duncan and Mrs G Duncan received dividends of £50,000 and withdrew £26,231 from the company. At the balance sheet date, the amount due to Mr K Duncan and Mrs G Duncan was £173,496 (2019: £149,727).

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.