

Company Registration No. SC371461 (Scotland)

KJ TAIT ENGINEERS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

KJ TAIT ENGINEERS LIMITED

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KJ TAIT ENGINEERS LIMITED

COMPANY INFORMATION

Directors Mr A P Black
Mr M L Curley
Mr B Hefi
Mr R J Senior
Mr M G Tait
Mr NS Watt
Mr R Lytle (Appointed 18 November 2021)

Company number SC371461

Registered office 15 Woodside Terrace
Glasgow
Scotland
G3 7XH

Accountants Consilium Chartered Accountants
169 West George Street
Glasgow
Scotland
G2 2LB

KJ TAIT ENGINEERS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		826,479		929,791
Tangible assets	4		89,013		76,715
Investments	5		25,000		25,000
			<u>940,492</u>		<u>1,031,506</u>
Current assets					
Stocks		425,000		450,000	
Debtors	6	1,856,172		1,496,863	
Cash at bank and in hand		554,728		422,796	
		<u>2,835,900</u>		<u>2,369,659</u>	
Creditors: amounts falling due within one year	7	<u>(987,927)</u>		<u>(946,094)</u>	
Net current assets			<u>1,847,973</u>		<u>1,423,565</u>
Total assets less current liabilities			<u>2,788,465</u>		<u>2,455,071</u>
Creditors: amounts falling due after more than one year	8		(235,000)		(245,000)
Provisions for liabilities	10		<u>(3,620)</u>		<u>-</u>
Net assets			<u>2,549,845</u>		<u>2,210,071</u>
Capital and reserves					
Called up share capital	11		92		100
Share premium account			37,495		-
Capital redemption reserve			13		-
Profit and loss reserves			<u>2,512,245</u>		<u>2,209,971</u>
Total equity			<u>2,549,845</u>		<u>2,210,071</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 2022 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.

KJ TAIT ENGINEERS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 6 December 2022 and are signed on its behalf by:

Mr A P Black
Director

Company Registration No. SC371461

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

KJ Tait Engineers Limited is a private company limited by shares incorporated in Scotland. The registered office is 15 Woodside Terrace, Glasgow, Scotland, G3 7XH. The company's registration number is SC371461.

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 and presentational 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. The principal accounting policies adopted are set out below.

1.2 Turnover

The turnover shown in the profit and loss account represents the value of all engineering consultancy services delivered during the year at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

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 20 years.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

1.4 Tangible fixed assets

Tangible fixed assets 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:

Leasehold improvements	10% straight line
Office equipment	25% straight line

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 account.

1.5 Fixed asset investments

Investments are stated at cost less provision for any diminution of value, if such reduction is deemed to be of a permanent nature.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Work in progress is valued on the basis of direct labour costs plus attributable overheads based on a normal level of activity.

1.8 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.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 profit and loss account 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.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 profit and loss account, 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss account 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.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.16 Foreign exchange

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 profit or loss account.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Employees

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

	2022	2021
Total	82	84

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	2,066,218
Amortisation and impairment	
At 1 April 2021	1,136,427
Amortisation charged for the year	103,312
At 31 March 2022	1,239,739
Carrying amount	
At 31 March 2022	826,479
At 31 March 2021	929,791

Goodwill of £2,066,218 arose on the acquisition of trade and assets of K J Tait Engineers in 2010.

4 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 April 2021	61,151	268,103	329,254
Additions	-	44,941	44,941
Disposals	-	(140,951)	(140,951)
At 31 March 2022	61,151	172,093	233,244
Depreciation and impairment			
At 1 April 2021	32,774	219,765	252,539
Depreciation charged in the year	6,116	26,527	32,643
Eliminated in respect of disposals	-	(140,951)	(140,951)
At 31 March 2022	38,890	105,341	144,231
Carrying amount			
At 31 March 2022	22,261	66,752	89,013
At 31 March 2021	28,377	48,338	76,715

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5	Fixed asset investments	2022	2021
		£	£
	Interest in joint venture	25,000	25,000
		<u>25,000</u>	<u>25,000</u>
	Movements in fixed asset investments		
			Interest in joint venture £
	Cost or valuation		
	At 1 April 2021 & 31 March 2022		25,000
			<u>25,000</u>
	Carrying amount		
	At 31 March 2022		25,000
			<u>25,000</u>
	At 31 March 2021		<u>25,000</u>
			<u>25,000</u>
6	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,731,403	1,343,823
	Other debtors	104,269	117,268
		<u>1,835,672</u>	<u>1,461,091</u>
	Deferred tax asset	-	24,835
		<u>1,835,672</u>	<u>1,485,926</u>
		<u>1,835,672</u>	<u>1,485,926</u>
	Amounts falling due after more than one year:	2022	2021
		£	£
	Other debtors	20,500	10,937
		<u>20,500</u>	<u>10,937</u>
	Total debtors	1,856,172	1,496,863
		<u>1,856,172</u>	<u>1,496,863</u>

At 31 March 2021, a deferred tax asset arose due to timing differences in relation to employer pension contributions and taxable losses carried forward..

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7	Creditors: amounts falling due within one year	2022	2021
		£	£
	Bank loans	10,000	5,000
	Trade creditors	91,971	48,543
	Taxation and social security	426,213	421,046
	Other creditors	459,743	471,505
		<u>987,927</u>	<u>946,094</u>
		<u><u>987,927</u></u>	<u><u>946,094</u></u>
8	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Bank loans and overdrafts	35,000	45,000
	Other creditors	200,000	200,000
		<u>235,000</u>	<u>245,000</u>
		<u><u>235,000</u></u>	<u><u>245,000</u></u>
9	Loans and overdrafts	2022	2021
		£	£
	Bank loans	45,000	50,000
	Other loans	200,000	200,000
		<u>245,000</u>	<u>250,000</u>
		<u><u>245,000</u></u>	<u><u>250,000</u></u>
	Payable within one year	10,000	5,000
	Payable after one year	235,000	245,000
		<u><u>245,000</u></u>	<u><u>250,000</u></u>

A floating charge exists in favour of the company's bankers over the assets of the company.

In addition, three of the directors have provided personal guarantees of £40,000 each in favour of the bank.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021	Assets 2022	Assets 2021
	£	£	£	£
Balances:				
Accelerated capital allowances	9,975	-	-	(3,513)
Tax losses	-	-	-	9,395
Retirement benefit obligations	(6,355)	-	-	18,953
	<u>3,620</u>	<u>-</u>	<u>-</u>	<u>24,835</u>
				2022
Movements in the year:				£
Asset at 1 April 2021				(24,835)
Charge to profit or loss				28,455
				<u>3,620</u>
Liability at 31 March 2022				<u>3,620</u>

At 31 March 2021, a deferred tax asset arose due to timing differences in relation to employer pension contributions and taxable losses carried forward.

11 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
1,800 A Ordinary shares of 1p each	18	18
1,800 B Ordinary shares of 1p each	18	18
1,300 C Ordinary shares of 1p each	5	13
1,800 E Ordinary shares of 1p each	18	18
1,400 F Ordinary shares of 1p each	14	14
1,400 G Ordinary shares of 1p each	14	14
500 H Ordinary shares of 1p each	5	5
	<u>92</u>	<u>100</u>

On 14 July 2021 the company re-purchased the remaining 1300 C Ordinary shares of £0.01 each that were in issue.

On 18 November 2021 the company issued 500 C Ordinary shares of £0.01 each at a premium.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
1,251,395	1,320,164
<u>1,251,395</u>	<u>1,320,164</u>

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Related party transactions

Included within other creditors are amounts totalling £420,069 (2021 - £424,272) due to the directors. £357,700 (2021 - £366,902) of this total is subject to interest at 6.5% per annum. £200,000 (2021 - £200,000) of the total is subordinated behind the company's bank debt, and is included within creditors falling due after more than one year.

During the previous year the company provided loan finance to director, NS Watt, for the purchase 500 H Ordinary shares. This loan is interest free and repayable over 2 years. As at 31 March 2022 amounts totalling £10,938 (2021 - £29,687) are due to the company and are included in other debtors.

During the year the company provided loan finance to director, R Lytle, for the purchase 500 C Ordinary shares. This loan is interest free and repayable over 3 years and 3 months. As at 31 March 2022 amounts totalling £32,500 (2021 - £nil) are due to the company and are included in other debtors.

No further transactions with related parties were undertaken such as are required to be disclosed under the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.