

Company Registration No. SC371461 (Scotland)

KJ TAIT ENGINEERS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 Hefti
Mr R J Senior
Mr M G Tait
Mr NS Watt (Appointed 31 October 2020)

Company number SC371461

Registered office 15 Woodside Terrace
Glasgow
Scotland
G3 7XH

Accountants Consilium Chartered Accountants
169 West George Street
Glasgow
United Kingdom
G2 2LB

KJ TAIT ENGINEERS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		929,791		1,033,103
Tangible assets	4		76,715		96,934
Investments	5		25,000		25,000
			<u>1,031,506</u>		<u>1,155,037</u>
Current assets					
Stocks		450,000		450,000	
Debtors	6	1,496,863		1,328,258	
Cash at bank and in hand		422,796		91,464	
		<u>2,369,659</u>		<u>1,869,722</u>	
Creditors: amounts falling due within one year	7	(946,094)		(858,911)	
Net current assets			<u>1,423,565</u>		<u>1,010,811</u>
Total assets less current liabilities			<u>2,455,071</u>		<u>2,165,848</u>
Creditors: amounts falling due after more than one year	8	(245,000)		(200,000)	
Net assets			<u><u>2,210,071</u></u>		<u><u>1,965,848</u></u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss reserves			2,209,971		1,965,748
Total equity			<u><u>2,210,071</u></u>		<u><u>1,965,848</u></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 2021 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 2021

The financial statements were approved by the board of directors and authorised for issue on 13 December 2021 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 2021

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
Motor vehicles	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 2021

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 Work in progress

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

1.8 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.

1.9 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.

1.10 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.

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.

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies **(Continued)**

1.11 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.

1.12 Retirement benefits

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

1.13 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.

1.14 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.

1.15 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.

2 Employees

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

	2021	2020
Total	84	86

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Intangible fixed assets	Goodwill
	£
Cost	
At 1 April 2020 and 31 March 2021	2,066,218
Amortisation and impairment	
At 1 April 2020	1,033,115
Amortisation charged for the year	103,312
At 31 March 2021	1,136,427
Carrying amount	
At 31 March 2021	929,791
At 31 March 2020	1,033,103

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	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	61,151	248,451	1,547	311,149
Additions	-	19,652	-	19,652
Disposals	-	-	(1,547)	(1,547)
At 31 March 2021	61,151	268,103	-	329,254
Depreciation and impairment				
At 1 April 2020	26,658	187,557	-	214,215
Depreciation charged in the year	6,116	32,208	-	38,324
At 31 March 2021	32,774	219,765	-	252,539
Carrying amount				
At 31 March 2021	28,377	48,338	-	76,715
At 31 March 2020	34,493	60,894	1,547	96,934

5 Fixed asset investments	2021	2020
	£	£
Interest in joint venture	25,000	25,000

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Interest in joint venture £
Cost or valuation	
At 1 April 2020 & 31 March 2021	25,000
Carrying amount	
At 31 March 2021	25,000
At 31 March 2020	25,000

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,343,823	1,163,089
Other debtors	117,268	161,134
	1,461,091	1,324,223
Deferred tax asset	24,835	4,035
	1,485,926	1,328,258
	1,485,926	1,328,258
Amounts falling due after more than one year:		
Other debtors	10,937	-
	10,937	-
	10,937	-
Total debtors	1,496,863	1,328,258
	1,496,863	1,328,258

A deferred tax asset has arisen due to timing differences in relation to employer pension contributions and taxable losses carried forward.

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	5,000	-
Trade creditors	48,543	109,015
Taxation and social security	421,046	309,324
Other creditors	471,505	440,572
	946,094	858,911
	946,094	858,911

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Bank loans and overdrafts	45,000	-
Other creditors	200,000	200,000
	<u>245,000</u>	<u>200,000</u>
	<u><u>245,000</u></u>	<u><u>200,000</u></u>

9 Loans and overdrafts	2021	2020
	£	£
Bank loans	50,000	-
Other loans	200,000	200,000
	<u>250,000</u>	<u>200,000</u>
	<u><u>250,000</u></u>	<u><u>200,000</u></u>
Payable within one year	5,000	-
Payable after one year	245,000	200,000
	<u><u>250,000</u></u>	<u><u>200,000</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.

10 Deferred taxation

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

	Assets 2021	Assets 2020
Balances:	£	£
Accelerated capital allowances	(3,513)	(5,479)
Tax losses	9,395	-
Retirement benefit obligations	18,953	9,514
	<u>24,835</u>	<u>4,035</u>
	<u><u>24,835</u></u>	<u><u>4,035</u></u>

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10	Deferred taxation	(Continued)
		2021
	Movements in the year:	£
	Asset at 1 April 2020	(4,035)
	Credit to profit or loss	(20,800)
	Asset at 31 March 2021	<u>(24,835)</u>

A deferred tax asset has arisen due to timing differences in relation to employer pension contributions and taxable losses carried forward.

11	Called up share capital	2021	2020
		£	£
	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	13	18
	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 (2020: 0) H Ordinary shares of 1p each	5	-
		<u>100</u>	<u>100</u>

On 31 October 2020 the company redesignated 500 C Ordinary shares to 500 H Ordinary shares.

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

All classes of share rank pari passu in all respects. However, when paying dividends the directors may differentiate between the classes of shares to which payments are being made in respect of the amount or percentage of dividend payable.

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:

2021	2020
£	£
<u>1,320,164</u>	<u>1,495,381</u>

KJ TAIT ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Related party transactions

Included within other creditors are amounts totalling £424,272 (2020 - £429,904) due to the directors. £366,902 (2020 - £412,536) of this total is subject to interest at 6.5% per annum. £200,000 (2020- £420,000) 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 year the company provided loan finance to director, Neil Watt, for the purchase 500 H Ordinary shares. This loan is interest free and repayable over 2 years. As at 31 March 2021 amounts totalling £29,687 (2020- £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".

14 Ultimate controlling party

The company was under the control of the directors throughout the current and previous years by virtue of their interests in the ordinary share capital of the company.

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.