

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

FOR

KJ TAIT ENGINEERS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

KJ TAIT ENGINEERS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:

A P Black
M L Curley
N Hall
B Hefti
R J Senior
M G Tait
N S Watt

REGISTERED OFFICE:

15 Woodside Terrace
Glasgow
G3 7XH

REGISTERED NUMBER:

SC371461 (Scotland)

ACCOUNTANTS:

Consilium Chartered Accountants
169 West George Street
Glasgow
G2 2LB

BALANCE SHEET
31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	4		1,033,103		1,136,415
Tangible assets	5		96,934		103,590
Investments	6		25,000		25,000
			<u>1,155,037</u>		<u>1,265,005</u>
CURRENT ASSETS					
Stocks		450,000		420,000	
Debtors	7	1,328,258		1,337,069	
Cash at bank		91,464		85,273	
		<u>1,869,722</u>		<u>1,842,342</u>	
CREDITORS					
Amounts falling due within one year	8	<u>858,911</u>		<u>762,168</u>	
NET CURRENT ASSETS			<u>1,010,811</u>		<u>1,080,174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,165,848</u>		<u>2,345,179</u>
CREDITORS					
Amounts falling due after more than one year	9		<u>200,000</u>		<u>420,000</u>
NET ASSETS			<u>1,965,848</u>		<u>1,925,179</u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Retained earnings			<u>1,965,748</u>		<u>1,925,079</u>
			<u>1,965,848</u>		<u>1,925,179</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

BALANCE SHEET - continued
31 MARCH 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 23 December 2020 and were signed on its behalf by:

A P Black - Director

N Hall - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. **STATUTORY INFORMATION**

KJ Tait Engineers Limited is a private company, limited by shares, registered in Scotland. The Company's registered number and registered office address are as follows:

Registered number: SC371461
Registered office: 15 Woodside Terrace
Glasgow
G3 7XH

The presentation and functional currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the Income Statement 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.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful economic life of 20 years, being the period the Company expects to receive income as a result of the acquisition. Goodwill is reviewed for impairment at the end of each reporting period.

Intangible assets

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Leasehold improvements	- 10% straight line
Motor vehicles	- 25% straight line
Office equipment	- 25% straight line

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating lease commitments

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Income Statement in the period to which they relate.

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 86 (2019 - 85) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2019 and 31 March 2020	<u>2,066,218</u>
AMORTISATION	
At 1 April 2019	929,803
Charge for year	<u>103,312</u>
At 31 March 2020	<u>1,033,115</u>
NET BOOK VALUE	
At 31 March 2020	<u>1,033,103</u>
At 31 March 2019	<u>1,136,415</u>

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

5. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 April 2019	61,151	24,247	214,321	299,719
Additions	-	-	34,130	34,130
Disposals	-	(22,700)	-	(22,700)
At 31 March 2020	<u>61,151</u>	<u>1,547</u>	<u>248,451</u>	<u>311,149</u>
DEPRECIATION				
At 1 April 2019	20,544	22,700	152,885	196,129
Charge for year	6,114	-	34,672	40,786
Eliminated on disposal	-	(22,700)	-	(22,700)
At 31 March 2020	<u>26,658</u>	<u>-</u>	<u>187,557</u>	<u>214,215</u>
NET BOOK VALUE				
At 31 March 2020	<u>34,493</u>	<u>1,547</u>	<u>60,894</u>	<u>96,934</u>
At 31 March 2019	<u>40,607</u>	<u>1,547</u>	<u>61,436</u>	<u>103,590</u>

6. FIXED ASSET INVESTMENTS

	Interest in joint venture £
COST	
At 1 April 2019 and 31 March 2020	<u>25,000</u>
NET BOOK VALUE	
At 31 March 2020	<u>25,000</u>
At 31 March 2019	<u>25,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	1,163,089	1,085,333
Other debtors	<u>165,169</u>	<u>251,736</u>
	<u>1,328,258</u>	<u>1,337,069</u>
Deferred tax asset		
	2020	2019
	£	£
Accelerated capital allowances	(5,479)	(4,314)
Other timing differences	<u>9,514</u>	<u>21,011</u>
	<u>4,035</u>	<u>16,697</u>

A deferred tax asset has arisen in the current year due to timing differences in relation to employer pension contributions.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	109,015	53,083
Taxation and social security	309,324	317,820
Other creditors	<u>440,572</u>	<u>391,265</u>
	<u>858,911</u>	<u>762,168</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Other creditors	<u>200,000</u>	<u>420,000</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	333,151	368,020
Between one and five years	1,123,944	1,234,477
In more than five years	<u>38,286</u>	<u>145,782</u>
	<u>1,495,381</u>	<u>1,748,279</u>

11. SECURED DEBTS

A floating charge exists in favour of the Company's bankers over the assets of the Company.
In addition, four of the directors have provided personal guarantees of £40,000 each in favour of the bank.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

12. CALLED UP SHARE CAPITAL

Allotted, issued and
fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1,800	A Ordinary	1p	18	18
1,800	B Ordinary	1p	18	18
1,800	C Ordinary	1p	18	18
1,800	E Ordinary	1p	18	18
1,400	F Ordinary	1p	14	14
1,400	G Ordinary	1p	14	14
			<u>100</u>	<u>100</u>

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

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.

13. RELATED PARTY DISCLOSURES

Included within other creditors are amounts totalling £429,904 (2019 - £590,289) due to the directors. £412,536 (2019 - £468,951) of this total is subject to interest at 6.5% per annum. £200,000 (2019 - £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.

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. No individual shareholder has overall control.

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.