

**FRANK KEY TOOL HIRE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



**FRANK KEY TOOL HIRE LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	R M Sansom J V Norton R B Meeks
<b>Company secretary</b>	J V Norton
<b>Registered number</b>	00927963
<b>Registered office</b>	22A Portland Street Daybrook Nottingham NG5 6BL
<b>Independent auditors</b>	Smith Cooper Limited Chartered Accountants and Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

**FRANK KEY TOOL HIRE LIMITED**

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**FRANK KEY TOOL HIRE LIMITED**  
**REGISTERED NUMBER: 00927963**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

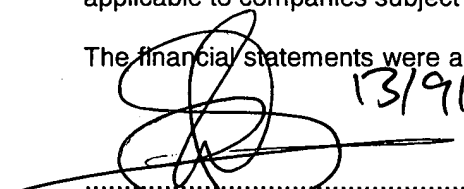
	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	3	1,709,313	678,350
Investments	4	1,250	1,250
		<u>1,710,563</u>	<u>679,600</u>
<b>Current assets</b>			
Stocks	5	487,773	421,044
Debtors: amounts falling due within one year	6	1,319,604	1,168,337
Cash at bank and in hand		134,486	189,189
		<u>1,941,863</u>	<u>1,778,570</u>
Creditors: amounts falling due within one year	7	(2,836,001)	(1,821,210)
<b>Net current liabilities</b>		<u>(894,138)</u>	<u>(42,640)</u>
<b>Total assets less current liabilities</b>		<u>816,425</u>	<u>636,960</u>
Creditors: amounts falling due after more than one year	8	(178,215)	(100,530)
<b>Net assets</b>		<u><u>638,210</u></u>	<u><u>536,430</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	24,000	24,000
Other reserves		12,000	12,000
Profit and loss account		602,210	500,430
		<u><u>638,210</u></u>	<u><u>536,430</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
 .....  
**R M Sansom**  
 Director

The notes on pages 2 to 10 form part of these financial statements.

# FRANK KEY TOOL HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Frank Key Tool Hire Limited is a private company limited by shares incorporated in England within the United Kingdom. The address of the registered office is given in the company information of these financial statements. The company's registration number is 00927963.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include items at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities.

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### 1.2 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Leasehold property improvements	- 10% straight line
Plant and machinery	- 10% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Hire equipment	- over 1 to 5 years straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may be affected.

The directors consider the residual value of the freehold property is at least equal to their net book value and therefore depreciation is not charged in the statement of comprehensive income.

#### 1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.4 Stocks

Stocks are valued at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion, or other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

## FRANK KEY TOOL HIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### 1.5 Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### 1.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the lease term.

##### 1.7 Pensions

The company operates a defined contribution plan for the benefit of its employees.

Contributions to the group pension scheme are charged to the profit and loss account in the year in which the contribution is paid.

##### 1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of revenue are as follows:

###### *Sale of goods*

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

##### 1.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

##### 1.10 Current and deferred taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Employees**

The average monthly number of employees, including directors, during the year was 73 (2016 - 57).

**3. Tangible fixed assets**

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Hire equipment £
<b>Cost or valuation</b>						
At 1 January 2017	-	372,013	130,849	369,178	47,754	3,085,379
Additions	320,250	31,787	-	7,500	17,512	286,941
Disposals	-	-	-	(1,950)	-	(456,416)
Transfers intra-group	665,000	-	-	-	-	-
At 31 December 2017	<u>985,250</u>	<u>403,800</u>	<u>130,849</u>	<u>374,728</u>	<u>65,266</u>	<u>2,915,904</u>
<b>Depreciation</b>						
At 1 January 2017	-	348,502	129,285	146,572	40,821	2,661,643
Charge for the year on owned assets	-	7,745	323	20,179	7,640	158,002
Charge for the year on financed assets	-	-	-	37,300	-	23,717
Disposals	-	-	-	(1,756)	-	(413,489)
At 31 December 2017	<u>-</u>	<u>356,247</u>	<u>129,608</u>	<u>202,295</u>	<u>48,461</u>	<u>2,429,873</u>
<b>Net book value</b>						
At 31 December 2017	<u>985,250</u>	<u>47,553</u>	<u>1,241</u>	<u>172,433</u>	<u>16,805</u>	<u>486,031</u>
At 31 December 2016	<u>-</u>	<u>23,511</u>	<u>1,564</u>	<u>222,606</u>	<u>6,933</u>	<u>423,736</u>

**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. Tangible fixed assets (continued)**

	Total £
<b>Cost or valuation</b>	
At 1 January 2017	4,005,173
Additions	663,990
Disposals	(458,366)
Transfers intra-group	665,000
	<hr/>
At 31 December 2017	4,875,797
	<hr/>
<b>Depreciation</b>	
At 1 January 2017	3,326,823
Charge for the year on owned assets	193,889
Charge for the year on financed assets	61,017
Disposals	(415,245)
	<hr/>
At 31 December 2017	3,166,484
	<hr/>
<b>Net book value</b>	
At 31 December 2017	1,709,313
	<hr/> <hr/>
At 31 December 2016	678,350
	<hr/> <hr/>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	985,250	-
Leasehold property improvements	47,553	23,511
	<hr/>	<hr/>
	1,032,803	23,511
	<hr/> <hr/>	<hr/> <hr/>



**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Motor vehicles	111,902	149,202
Hire equipment	118,583	-
	<u>230,485</u>	<u>149,202</u>

**4. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2017	1,250
At 31 December 2017	<u>1,250</u>
<b>Net book value</b>	
At 31 December 2017	<u>1,250</u>
At 31 December 2016	<u>1,250</u>

**5. Stocks**

	2017 £	2016 £
Finished goods and goods for resale	487,773	421,044
	<u>487,773</u>	<u>421,044</u>

**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. Debtors**

	2017 £	2016 £
Trade debtors	475,199	595,634
Amounts owed by group undertakings	672,128	338,000
Other debtors	248	1,200
Prepayments and accrued income	87,961	116,305
Deferred taxation	84,068	117,198
	<u>1,319,604</u>	<u>1,168,337</u>

**7. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank loans	25,851	-
Trade creditors	172,718	213,044
Amounts owed to group undertakings	2,291,289	1,311,892
Other taxation and social security	137,979	171,483
Obligations under finance lease and hire purchase contracts	109,901	62,919
Other creditors	27,870	16,228
Accruals and deferred income	70,393	45,644
	<u>2,836,001</u>	<u>1,821,210</u>

**8. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans	136,730	-
Net obligations under finance leases and hire purchase contracts	41,485	100,530
	<u>178,215</u>	<u>100,530</u>

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	25,851	-
	<u>25,851</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	24,297	-
	<u>24,297</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	112,433	-
	<u>112,433</u>	<u>-</u>
	<u>162,581</u>	<u>-</u>

The bank loans provided by National Westminster Plc are secured by way of a fixed and floating charges and debenture over the freehold properties of the company.

**10. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	109,861	62,919
Between 1-2 years	36,044	62,919
Between 2-5 years	2,778	37,611
Over 5 years	2,663	-
	<u>151,346</u>	<u>163,449</u>

# FRANK KEY TOOL HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 11. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
24,000 Ordinary shares of £1 each	<u>24,000</u>	<u>24,000</u>

### 12. Pension commitments

The company operates a defined contribution scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £50,627 (2016: £41,054). At the year end an amount of £8,905 (2016: £15,157) was outstanding.

### 13. Group transfers

On 5 September 2016 the trade and certain assets of fellow group subsidiaries Robert M Sansom Plant Limited and Sinbad Tools Limited were hived up to Frank Key Tool Hire Limited. Details of the assets transferred are provided below:

	2017 £	2016 £
Tangible fixed assets	-	472,521
Stock	-	185,490
	<u>-</u>	<u>658,011</u>

Assets were transferred at net book value which are equal to fair value.

### 14. Related party transactions

The company has taken advantage of the exemption in section 33.1A of FRS 102 from disclosing transactions entered into between two or more members of the group as all subsidiaries are wholly owned.

### 15. Controlling party

The ultimate parent undertaking is Frank Key Group Limited. The ultimate controlling party is RM Sansom.

Group financial statements are prepared by Frank Key Group Limited, a copy of which is available at 22A Portland Street, Daybrook, Nottingham, NG5 6BL.

**FRANK KEY TOOL HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 13/01/18 by James Bagley (Senior Statutory Auditor) on behalf of Smith Cooper Limited.