

**Registered number: 01726266**

**K & N INTERNATIONAL (OFFICE  
SYSTEMS) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

**MAGEE GAMMON**  
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**K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**  
**REGISTERED NUMBER:01726266**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**


	Note	2019	2018
<b>FIXED ASSETS</b>			
Tangible assets	4	83,780	66,570
<b>CURRENT ASSETS</b>			
Stocks	5	141,579	107,237
Debtors: amounts falling due within one year	6	829,959	1,343,561
Cash at bank and in hand		374,640	208,387
		<u>1,346,178</u>	<u>1,659,185</u>
Creditors: amounts falling due within one year	7	<u>(2,420,847)</u>	<u>(2,682,920)</u>
<b>NET CURRENT LIABILITIES</b>		(1,074,669)	(1,023,735)
<b>NET LIABILITIES</b>		<u>£ (990,889)</u>	<u>£ (957,165)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	4,150,000	4,150,000
Share premium account		37,500	37,500
Profit and loss account		(5,178,389)	(5,144,665)
		<u>£ (990,889)</u>	<u>£ (957,165)</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 income and retained earnings 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 9 June 2020.



**Mr C Titlow**  
Director

The notes on pages 2 to 8 form part of these financial statements.

# **K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **1. General information**

K & N International (Office Systems) Limited (01726266) is a private company limited by share capital incorporated in England and Wales. The registered office and principal place of business is 52 Britton Street, London, EC1M 5UQ.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The financial statements have been prepared on a going concern basis. K & N International (Office Systems) Limited is a subsidiary of König & Neurath AG, a company incorporated in Germany. K & N International (Office Systems) Limited is dependent on the continuing financial support of its parent undertaking to operate as a going concern. The parent undertaking has confirmed in writing that it will allow K & N International (Office Systems) Limited to subordinate payments of the inter-group balance to enable K & N International (Office Systems) Limited to be able to settle its third party liabilities in full as they fall due for a period of at least twelve months from the date of approval of these financial statements

Accordingly, the director considers that it is appropriate to prepare the financial statements on the going concern basis.

#### **2.3 Foreign currency translation**

##### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

## **K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.5 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.6 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

## **K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.7 Taxation**

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the most appropriate basis.

Depreciation is provided on the following basis:

Showroom	- Straight line on cost over period of lease
Showroom furniture	- 20% - 33% Straight line
Fixtures and fittings	- 33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

## **K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.12 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

#### **3. Employees**

The average monthly number of employees, including directors, during the year was 9 (2018 - 9).

# K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4. Tangible fixed assets

	Showroom	Fixtures and fittings	Total
<b>Cost or valuation</b>			
At 1 January 2019	193,250	27,065	220,315
Additions	99,558	3,132	102,690
At 31 December 2019	292,808	30,197	323,005
<b>Depreciation</b>			
At 1 January 2019	140,400	13,345	153,745
Charge for the year on owned assets	77,016	8,464	85,480
At 31 December 2019	217,416	21,809	239,225
<b>Net book value</b>			
At 31 December 2019	£ 75,392	£ 8,388	£ 83,780
At 31 December 2018	£ 52,850	£ 13,720	£ 66,570

### 5. Stocks

	2019	2018
Work in progress (goods to be sold)	42,149	20,417
Finished goods and goods for resale	99,430	86,820
	£ 141,579	£ 107,237

### 6. Debtors

	2019	2018
Trade debtors	725,839	1,204,319
Other debtors	15,468	8,659
Prepayments and accrued income	88,652	130,583
	£ 829,959	£ 1,343,561

# K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019	2018
Trade creditors	152,991	230,693
Amounts owed to group undertakings	1,856,441	1,597,659
Other taxation and social security	291,598	230,179
Other creditors	-	518,329
Accruals and deferred income	119,817	106,060
	<u>£ 2,420,847</u>	<u>£ 2,682,920</u>

### 8. Share capital

	2019	2018
<b>Allotted, called up and fully paid</b>		
4,150,000 (2018 - 4,150,000) Ordinary shares of £1.00 each	<u>£ 4,150,000</u>	<u>£ 4,150,000</u>

### 9. Capital commitments

At 31 December 2019 the Company had capital commitments as follows:

	2019	2018
Contracted for but not provided in these financial statements	<u>£ -</u>	<u>£ 57,759</u>

### 10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £16,869 (2018 - £13,444). Contributions totalling £Nil (2018 - £459) were payable to the fund at the balance sheet date and are included in creditors.

### 11. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
Not later than 1 year	96,800	193,600
Later than 1 year and not later than 5 years	-	96,800
	<u>£ 96,800</u>	<u>£ 290,400</u>



## **K & N INTERNATIONAL (OFFICE SYSTEMS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **12. Controlling party**

The company is controlled by König & Neurath AG, a limited company incorporated in Germany, which is the ultimate controlling party. The parent company of the largest and smallest group of undertakings of which the company is a member is König & Neurath AG. Copies of the group accounts are not available to the public.

#### **13. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 9 June 2020 by Andrew John Childs FCA (Senior Statutory Auditor) on behalf of Magee Gammon Corporate Limited.