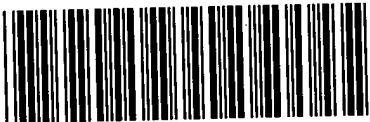


KMS (UK) Ltd
Financial Statements
Year Ended
31st December 2015

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KMS (UK) Ltd

Statement of Financial Position

31st December 2015

	Note	2015 £	2014 £
Fixed Assets			
Tangible assets	4	6,473	5,072
Current Assets			
Debtors	5	1,408,955	1,241,180
Cash at bank and in hand	6	1,112,638	892,530
		<u>2,521,593</u>	<u>2,133,710</u>
Creditors: Amounts Falling due Within One Year	7	<u>2,275,556</u>	<u>1,903,192</u>
Net Current Assets		<u>246,037</u>	<u>230,518</u>
Total Assets Less Current Liabilities		<u>252,510</u>	<u>235,590</u>
Net Assets		<u>252,510</u>	<u>235,590</u>
Capital and Reserves			
Called up share capital	8	100	100
Profit and loss account	9	252,410	235,490
Shareholders Funds		<u>252,510</u>	<u>235,590</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The directors have chosen not to deliver to the Registrar a copy of the company's profit and loss account.

These financial statements were approved by the board of directors and authorised for issue on 10th August 2016, and are signed on behalf of the board by:



Mr C J Gates
Director

Company registration number: 03545205

The notes on pages 3 to 7 form part of these financial statements.

KMS (UK) Ltd

Notes to the Financial Statements

Year Ended 31st December 2015

1. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Disclosure Exemptions

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A for small entities. There were no material departures from that standard.

Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Notes to the Financial Statements (*continued*)

Year Ended 31st December 2015

2. Accounting Policies (*Continued*)

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible Assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold land and buildings	-	over the lease term
Plant and machinery	-	20% straight line

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

KMS (UK) Ltd

Notes to the Financial Statements (continued)

Year Ended 31st December 2015

2. Accounting Policies (Continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. Employee Numbers

The average number of employees during the year was 762 (2014 - 680).

4. Tangible Assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1st January 2015	5,016	49,734	54,750
Additions	—	4,099	4,099
At 31st December 2015	<u>5,016</u>	<u>53,833</u>	<u>58,849</u>
Depreciation			
At 1st January 2015	4,946	44,732	49,678
Charge for the year	—	2,698	2,698
At 31st December 2015	<u>4,946</u>	<u>47,430</u>	<u>52,376</u>
Carrying amount			
At 31st December 2015	<u>70</u>	<u>6,403</u>	<u>6,473</u>
At 31st December 2014	<u>70</u>	<u>5,002</u>	<u>5,072</u>

5. Debtors

	2015 £	2014 £
Trade debtors	1,328,114	1,111,098
Other debtors	80,841	130,082
	<u>1,408,955</u>	<u>1,241,180</u>

6. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	2015 £	2014 £
Cash at bank and in hand	1,112,638	892,530
Bank overdrafts	(867,458)	(907,178)
	<u>245,180</u>	<u>(14,648)</u>

KMS (UK) Ltd

Notes to the Financial Statements (continued)

Year Ended 31st December 2015

7. Creditors: amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	867,458	907,178
Trade creditors	26,328	2,259
Corporation tax	80,045	58,895
Social security and other taxes	820,689	599,861
Other creditors	481,036	334,999
	<u>2,275,556</u>	<u>1,903,192</u>

Amounts owed under a debtor financing arrangement are secured on the trade debtors of the company and by way of a fixed and floating charge on all the company's assets. The company negotiated an invoice discounting facility in 2015.

8. Called Up Share Capital

Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

10. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	36,600	36,600
Later than 1 year and not later than 5 years	5,014	41,614
	<u>41,614</u>	<u>78,214</u>

11. Directors' Advances, Credits and Guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances/ (credits) to the directors		Amounts repaid		Balance outstanding	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Mr C J Gates	-	-	(72,803)	(219,498)	(7,762)	65,041
Mrs M N Gates	-	-	(72,804)	(219,498)	(7,763)	65,041
	<u>-</u>	<u>-</u>	<u>(145,607)</u>	<u>(438,996)</u>	<u>(15,525)</u>	<u>130,082</u>

The maximum of the loan was £130,082 and the loan was repaid in full on 1st September 2015.

KMS (UK) Ltd

Notes to the Financial Statements (*continued*)

Year Ended 31st December 2015

12. Auditor's Report

The auditor's report on these financial statements was unqualified and there were no matters to which the auditor drew attention by way of emphasis.

The auditor's report was signed by David Hatchard BA ACA, as senior statutory auditor for and on behalf of Nigel Wilson & Co, Registered Auditors.

13. Statutory Information

KMS (UK) Ltd is a private company limited by shares, incorporated in England and Wales. Its registered office is at 1st - 4th Floors, 2013 Victoria Street, London, SW1E 5NE.

14. Related Party Transactions

Controlling Party

During the year the company was under the ultimate control of Mr C J Gates and Mrs M N Gates the majority shareholders of KMS (UK) Limited.

Transactions

Dividends of £260,000 (2014; £200,000) were paid to the directors of the company.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st January 2014.

No transitional adjustments were required in equity or profit or loss for the year.