

Registered number
03545205

KMS (UK) Ltd
Report and Financial Statements
30 June 2020

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COMPANIES HOUSE

KMS (UK) Ltd
Company Information

Directors

Mrs M N Gates
Mr C Gates

Auditors

Michael George & Co
Dawes Court House
Dawes Court, High Street
Esher
Surrey
KT10 9QD

Registered office

1st to 4th floor
203 Victoria Street
London
SW1E 5NE

Registered number

03545205

KMS (UK) Ltd
Report and accounts
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KMS (UK) Ltd

Registered number:

03545205

Directors' Report

The directors present their report and financial statements for the period ended 30 June 2020.

Principal activities

The company's principal activity during the year continued to be the provision of housekeeping services to the hospitality industry.

Directors

The following persons served as directors during the period:

Mrs M N Gates

Mr C Gates

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Employment of disabled persons

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

This report was approved by the board on 28 June 2021 and signed on its behalf.



Clive Gates
Director

KMS (UK) Ltd Strategic Report

Fair review of the business

The performance of the business during 2019 was highly successful, but 2020 has been an extremely challenging year solely due to Covid 19. Our experiences are consistent with other businesses within the hospitality sector, which has suffered disproportionately in comparison to many other sectors of the economy.

With the reopening of hotels in May 2021, the position has improved significantly, but with the prevalence of various strains of the virus it is likely that hotel occupancy rates will continue to be lower than pre-pandemic levels in 2021.

There is also the concern of potential labour shortages due to Brexit, with EU workers no longer receiving preferential access.

Despite the impact of the pandemic on hospitality, there are opportunities for gaining new business due to reduced supply side competition. Since January 2021, we have won a significant number of new contracts. The company continues to enjoy a reputation as an ethical employer delivering a high quality service, and we will capitalise on this position within the London hospitality market.

Principal risks and uncertainties

There are therefore two key risks that the company is facing: the pandemic and uncertainty of labour supply due to Brexit. The settled status scheme for EU workers does currently offer some respite to predicted shortages. For some EU workers, the UK still remains a more attractive place to work in comparison with certain EU countries of origin. The additional risk is the prevalence of the pandemic which will continue adversely affect business levels. The upwards pressure on wages referred to in the previous report is likely to continue but will be slightly mitigated by reduced demand.

Key Performance indicators

Primary KPI's are

- GP% 10.8% through to 2021
- An increase in wage rates generally not exceeding 3% in April 2021, in order to maintain wage rate market competitiveness.
- To comply with the strict legislative requirements. The majority of the staff are mainly on settlement visas.

Secondary KPI's are

- The decrease in debtor days has been maintained at 38.
- As a result of covid there has been a massive decrease in middle management costs. More responsibilities given to the rest of the management teams as the contracts have decreased.

Future Outlook

Maintain the highest level of service to our current loyal client base. To secure new business from the competitors that did not survive the pandemic.

This report was approved by the board on 28 June 2021 and signed on its behalf.



Clive Gates
Director

KMS (UK) Ltd
Independent auditor's report
to the members of KMS (UK) Ltd

Opinion

We have audited the financial statements of KMS (UK) Ltd for the period ended 30 June 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 16 in the financial statements, which indicates that the company has incurred losses from 1 April 2020 attributed to the Covid 19 pandemic. As stated in note 16, these events or conditions, along with other matters as set out in note 16, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

KMS (UK) Ltd
Independent auditor's report
to the members of KMS (UK) Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

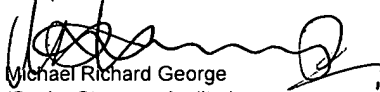
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Michael Richard George
(Senior Statutory Auditor)
for and on behalf of
Michael George & Co
Accountants and Statutory Auditors
29 June 2021

Dawes Court House
Dawes Court, High Street
Esher
Surrey
KT10 9QD

KMS (UK) Ltd
Income Statement
for the period from 1 January 2019 to 30 June 2020

	Notes	2020 £	2018 £
Turnover	3	15,736,477	12,519,570
Cost of sales		(14,025,388)	(11,273,029)
Gross profit		<u>1,711,089</u>	<u>1,246,541</u>
Administrative expenses		(1,049,136)	(622,837)
Operating profit	4	<u>661,953</u>	<u>623,704</u>
Interest receivable		34,143	11,938
Profit on ordinary activities before taxation		<u>696,096</u>	<u>635,642</u>
Tax on profit on ordinary activities	6	(481,450)	(128,729)
Profit for the period		<u>214,646</u>	<u>506,913</u>

KMS (UK) Ltd
Statement of comprehensive income
for the period from 1 January 2019 to 30 June 2020

	Notes	2020 £	2018 £
Profit for the period		214,646	506,913
Other comprehensive income			
Total comprehensive income for the period		<u>214,646</u>	<u>506,913</u>

KMS (UK) Ltd
Statement of Financial Position
as at 30 June 2020

	Notes	2020 £	2018 £
Fixed assets			
Tangible assets	7	1,989	4,522
Current assets			
Debtors	8	1,510,799	2,084,509
Cash at bank and in hand		<u>875,983</u>	<u>252,650</u>
		2,386,782	2,337,159
Creditors: amounts falling due within one year	9	(1,944,749)	(2,062,305)
Net current assets		<u>442,033</u>	<u>274,854</u>
Total assets less current liabilities		<u>444,022</u>	<u>279,376</u>
Creditors: amounts falling due after more than one year	10	(250,000)	-
Net assets		<u>194,022</u>	<u>279,376</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	193,922	279,276
Total equity		<u>194,022</u>	<u>279,376</u>



Clive Gates
Director

The financial statements were approved and authorised for issue by the board on ... 28 June 2021

KMS (UK) Ltd
Statement of Changes in Equity
for the period from 1 January 2019 to 30 June 2020

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2018	100	254,363	254,463
Profit for the financial year		506,913	506,913
Dividends		(482,000)	(482,000)
At 31 December 2018	<u>100</u>	<u>279,276</u>	<u>279,376</u>
 At 1 January 2019	 100	 279,276	 279,376
Profit for the period		214,646	214,646
Dividends		(300,000)	(300,000)
At 30 June 2020	<u>100</u>	<u>193,922</u>	<u>194,022</u>

KMS (UK) Ltd
Statement of Cash Flows
for the period from 1 January 2019 to 30 June 2020

	Notes	2020 £	2018 £
Operating activities			
Profit for the period		214,646	506,913
Adjustments for:			
Interest receivable		(34,143)	(11,938)
Tax on profit on ordinary activities		481,450	128,729
Depreciation		2,533	2,292
Decrease/(increase) in debtors		573,710	(181,618)
Increase/(decrease) in creditors		613,578	(581,486)
		<u>1,851,774</u>	<u>(137,108)</u>
Interest received		34,143	-
Corporation tax paid		(598,899)	(114,247)
Cash generated by/(used in) operating activities		<u>1,287,018</u>	<u>(251,355)</u>
Investing activities			
Payments to acquire tangible fixed assets		-	(2,960)
Payments to acquire investments		-	11,938
Cash generated by investing activities		<u>-</u>	<u>8,978</u>
Financing activities			
Equity dividends paid		(300,000)	(482,000)
Proceeds from new loans		250,000	-
Cash used in financing activities		<u>(50,000)</u>	<u>(482,000)</u>
Net cash generated/(used)			
Cash generated by/(used in) operating activities		1,287,018	(251,355)
Cash generated by investing activities		-	8,978
Cash used in financing activities		(50,000)	(482,000)
Net cash generated/(used)		<u>1,237,018</u>	<u>(724,377)</u>
Cash and cash equivalents at 1 January		<u>(396,850)</u>	<u>327,527</u>
Cash and cash equivalents at 30 June		<u>840,168</u>	<u>(396,850)</u>
Cash and cash equivalents comprise:			
Cash at bank		875,983	252,650
Bank overdrafts	9	<u>(35,815)</u>	<u>(649,500)</u>
		<u>840,168</u>	<u>(396,850)</u>

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Going concern

Currently it is difficult to predict the outcome of the current Covid 19 situation. But the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover is revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

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

Grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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 reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Other financial liabilities

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Holiday Pay Accrual

The holiday pay accrual is recognised as the company has a legal obligation to provide all employees with the statutory amount of holiday during their period of work. Due to high staff turnover, the company does not have a holiday year however employees accrue holiday as they work and are entitled to carry forward any unused days.

3 Analysis of turnover	2020	2018
	£	£
Sale of goods	<u>15,736,477</u>	<u>12,519,570</u>
By geographical market:		
UK	<u>15,736,477</u>	<u>12,519,570</u>
4 Operating profit	2020	2018
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	2,533	2,292
Auditors' remuneration for audit services	<u>13,000</u>	<u>13,000</u>

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

5 Staff costs	2020	2018
	£	£
Wages and salaries	15,825,709	10,853,723
Social security costs	973,212	655,742
Other pension costs	244,532	108,930
	<u>17,043,453</u>	<u>11,618,395</u>

Average number of employees during the year	Number	Number
Administration	14	14
Housekeeping	618	698
	<u>632</u>	<u>712</u>

6 Taxation	2020	2018
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	467,368	128,729
Adjustments in respect of previous periods	14,082	-
	<u>481,450</u>	<u>128,729</u>
 Tax on profit on ordinary activities	 <u>481,450</u>	 <u>128,729</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020	2018
	£	£
Profit on ordinary activities before tax	<u>696,096</u>	<u>635,642</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	132,258	120,772
Effects of:		
Expenses and S455 Tax not deductible for tax purposes	335,110	7,957
Adjustments to tax charge in respect of previous periods	14,082	-
Current tax charge for period	<u>481,450</u>	<u>128,729</u>

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

7 Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	<i>At cost</i>	<i>At cost</i>	
	£	£	£
Cost or valuation			
At 1 January 2019	5,016	59,734	64,750
At 30 June 2020	5,016	59,734	64,750
Depreciation			
At 1 January 2019	5,016	55,212	60,228
Charge for the period	-	2,533	2,533
At 30 June 2020	5,016	57,745	62,761
Carrying amount			
At 30 June 2020	-	1,989	1,989
At 31 December 2018	-	4,522	4,522

8 Debtors

	2020	2018
	£	£
Trade debtors	97,714	1,545,876
Directors' loan account	1,024,618	361,031
Other debtors	15,182	13,125
Corporation tax recoverable	-	117,335
Prepayments and accrued income	373,285	47,142
	<u>1,510,799</u>	<u>2,084,509</u>

9 Creditors: amounts falling due within one year

	2020	2018
	£	£
Bank overdrafts	35,815	649,500
Trade creditors	19,886	14,889
Corporation tax	134,368	251,817
Tax under S455 Corporation Taxes Act 2010	333,000	-
Other taxes and social security costs	1,044,435	471,118
Other creditors	373,038	421,488
Accruals and deferred income	4,207	253,493
	<u>1,944,749</u>	<u>2,062,305</u>

Amounts owed under a debt financing arrangement are secured on the trade debtors of the company by way of a fixed and floating charge over the company's assets.

The aggregated secured liabilities amount to £35,814 (2018 £649,499).

KMS (UK) Ltd
Notes to the Accounts
for the period from 1 January 2019 to 30 June 2020

10 Creditors: amounts falling due after one year	2020	2018
	£	£
Bank loans	<u>250,000</u>	<u>-</u>

Amount owed on a CBIL (Coronavirus Business Interruption loan) secured on a fixed and floating charge over the assets of the company.

11 Loans	2020	2018
	£	£
Bank overdraft	<u>35,815</u>	<u>649,500</u>
Analysis of maturity of debt:		
Within one year or on demand	<u>35,815</u>	<u>649,500</u>

The bank loans are secured on via a charge on the company registered at Companies House.

12 Obligations under finance leases and hire purchase contracts	2020	2018
	£	£
Amounts payable:		
Within one year	52,500	52,500
Within two to five years	-	8,750
	<u>52,500</u>	<u>61,250</u>

Operating lease payments represent rentals for the payment of office premises. The lease is negotiated for a period of 3 years starting from February 2017 and are fixed for a period of 3 years.

At the end of the reporting period the company did not have any outstanding commitments as the lease is still being negotiated as the end of the term was February 2020 but the intentions of the directors are to currently remain at the premises.

13 Share capital	Nominal value	2020 Number	2020 £	2018 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>

14 Profit and loss account	2020	2018
	£	£
At 1 January	279,276	254,363
Profit for the period	214,646	506,913
Dividends	(300,000)	(482,000)
At 30 June	<u>193,922</u>	<u>279,276</u>

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15 Dividends	2020	2018
	£	£
Dividends on ordinary shares (note 14)	<u>300,000</u>	<u>482,000</u>

16 Events after the reporting date

Material uncertainty arises from the effects of the continuation of the Covid-19 pandemic and the duration of the unprecedented restrictions which have caused losses to be incurred in each month since the balance sheet date which may continue for an unknown future period. In addition, there is uncertainty regarding the ability of the directors to repay their loans from the company set out in Note 18.

17 Financial instruments	2020	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,975,111	2,172,682
Carrying amount of financial liabilities		
Measured at amortised cost	791,130	1,085,877

18 Loans to directors	B/fwd	Paid	Repaid	C/fwd
Description and conditions	£	£	£	£
Directors				
Joint Directors loan account	361,031	1,378,786	(715,199)	1,024,618
	<u>361,031</u>	<u>1,378,786</u>	<u>(715,199)</u>	<u>1,024,618</u>

Dividends totalling £300,000 have been paid in the period (2018 - £482,000) in respect of shares held by the directors. The table above shows advances made to directors with a rate of interest charged at 2.5%.

19 Legal form of entity and country of incorporation

KMS (UK) Ltd is a private company limited by shares and incorporated in England.

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20 Principal place of business

The address of the company's principal place of business and registered office is:

1st to 4th floor
 203 Victoria Street
 London
 SW1E 5NE

21 Reconciliations on adoption of FRS 102

Profit and loss for the year ended 31 December 2018	£
Profit under former UK GAAP	506,913
Profit under FRS 102	<u>506,913</u>
Balance sheet at 31 December 2018	£
Equity under former UK GAAP	279,376
Equity under FRS 102	<u>279,376</u>
Balance sheet at 1 January 2018	£
Equity under former UK GAAP	254,463
Equity under FRS 102	<u>254,463</u>