

KG&S Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2019

SRC-Time Ltd

Chartered Accountants and Chartered Tax Advisors

2nd Floor

Stanford Gate

South Road

Brighton

East Sussex

BN1 6SB

KG&S Ltd

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
KG&S Ltd
for the Year Ended 31 March 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of KG&S Ltd for the year ended 31 March 2019, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes as set out on pages 2 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of KG&S Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of KG&S Ltd and state those matters that we have agreed to state to the Board of Directors of KG&S Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than KG&S Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that KG&S Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of KG&S Ltd. You consider that KG&S Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of KG&S Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
SRC-Time Ltd
Chartered Accountants and Chartered Tax Advisors
2nd Floor
Stanford Gate
South Road
Brighton
East Sussex
BN1 6SB

19 December 2019

KG&S Ltd

(Registration number: 05665012) Balance Sheet as at 31 March 2019

| | Note | 2019 £ | 2018 £ |
|--|----------|------------------|------------------|
| Fixed assets | | | |
| Investments | <u>6</u> | 1,286,352 | 1,286,352 |
| Current assets | | | |
| Debtors | <u>7</u> | 768,134 | 877,386 |
| Cash at bank and in hand | | <u>965</u> | <u>16,344</u> |
| | | 769,099 | 893,730 |
| Creditors: Amounts falling due within one year | <u>8</u> | <u>(575,079)</u> | <u>(619,324)</u> |
| Net current assets | | <u>194,020</u> | <u>274,406</u> |
| Total assets less current liabilities | | 1,480,372 | 1,560,758 |
| Creditors: Amounts falling due after more than one year | <u>8</u> | <u>(300,000)</u> | <u>(300,000)</u> |
| Net assets | | <u>1,180,372</u> | <u>1,260,758</u> |
| Capital and reserves | | | |
| Called up share capital | | 125,160 | 125,160 |
| Profit and loss account | | <u>1,055,212</u> | <u>1,135,598</u> |
| Total equity | | <u>1,180,372</u> | <u>1,260,758</u> |

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 19 December 2019 and signed on its behalf by:

.....

Dr M J Suffield

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

KG&S Ltd

Statement of Changes in Equity for the Year Ended 31 March 2019

| | Share capital £ | Profit and loss account £ | Total £ |
|----------------------------|--------------------|---------------------------------|------------|
| At 1 April 2018 | 125,160 | 1,135,598 | 1,260,758 |
| Loss for the year | - | (76,915) | (76,915) |
| Total comprehensive income | - | (76,915) | (76,915) |
| Dividends | - | (3,471) | (3,471) |
| At 31 March 2019 | 125,160 | 1,055,212 | 1,180,372 |
| | Share capital £ | Profit and loss account £ | Total £ |
| At 1 April 2017 | 125,160 | 1,226,926 | 1,352,086 |
| Loss for the year | - | (91,328) | (91,328) |
| Total comprehensive income | - | (91,328) | (91,328) |
| At 31 March 2018 | 125,160 | 1,135,598 | 1,260,758 |

The notes on pages 4 to 9 form an integral part of these financial statements.

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

15 Halls Farm Close
Winchester
Hampshire
SO22 6RE
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The directors have reviewed the twelve months ahead and note no material reason as to why the company should not continue as a going concern.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Plant & machinery | 25% straight line basis |
| Motor vehicles | 20% straight line basis |
| Equipment | 33% straight line basis |

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2018 - 4).

4 Exceptional administrative expenses

Included within administrative expenses totalling £128,016 (2017: £752,258 credit) is an exceptional administrative expense of £7,866 debit (2016: 814,780 credit) being the write off of inter-company balances due to the restructuring of the group.

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

Notes to the Financial Statements (continued)

5 Tangible assets

| | Equipment £ | Plant & machinery £ | Total £ |
|--------------------------|----------------|---------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2018 | 19,495 | 14,061 | 33,556 |
| At 31 March 2019 | 19,495 | 14,061 | 33,556 |
| Depreciation | | | |
| At 1 April 2018 | 19,495 | 14,061 | 33,556 |
| At 31 March 2019 | 19,495 | 14,061 | 33,556 |
| Carrying amount | | | |
| At 31 March 2019 | - | - | - |

6 Investments

| | 2019 £ | 2018 £ |
|-----------------------------|-----------|-----------|
| Investments in subsidiaries | 1,286,352 | 1,286,352 |
| Subsidiaries | | £ |
| Cost or valuation | | |
| At 1 April 2018 | | 1,286,352 |
| Provision | | |
| Carrying amount | | |
| At 31 March 2019 | | 1,286,352 |
| At 31 March 2018 | | 1,286,352 |

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

Notes to the Financial Statements (continued)

7 Debtors

| | Note | 2019 £ | 2018 £ |
|---------------------------------------|-----------|-----------------------|-----------------------|
| Amounts owed by group undertakings | <u>10</u> | 762,798 | 836,339 |
| Other debtors | | <u>5,336</u> | <u>41,047</u> |
| Total current trade and other debtors | | <u><u>768,134</u></u> | <u><u>877,386</u></u> |

8 Creditors

| | Note | 2019 £ | 2018 £ |
|------------------------------------|-----------|-----------------------|-----------------------|
| Due within one year | | | |
| Bank loans and overdrafts | <u>9</u> | 21,787 | 22,472 |
| Trade creditors | | 2,283 | - |
| Amounts owed to group undertakings | <u>10</u> | - | 111,902 |
| Taxation and social security | | - | 1,515 |
| Other creditors | | <u>551,009</u> | <u>483,435</u> |
| | | <u><u>575,079</u></u> | <u><u>619,324</u></u> |
| Due after one year | | | |
| Loans and borrowings | <u>9</u> | <u><u>300,000</u></u> | <u><u>300,000</u></u> |

9 Loans and borrowings

| | 2019 £ | 2018 £ |
|---|-----------------------|-----------------------|
| Non-current loans and borrowings | | |
| Redeemable preference shares | <u><u>300,000</u></u> | <u><u>300,000</u></u> |

| | 2019 £ | 2018 £ |
|-------------------------------------|----------------------|----------------------|
| Current loans and borrowings | | |
| Bank overdrafts | <u><u>21,787</u></u> | <u><u>22,472</u></u> |

KG&S Ltd

Notes to the Financial Statements for the Year Ended 31 March 2019

Notes to the Financial Statements (continued)

10 Related party transactions

Summary of transactions with subsidiaries

Karis Winchester Limited (Subsidiary)

At the balance sheet date, the amount due from Karis Winchester Limited totalled £60,645 (2018: £78,432).

ICare247 Limited (Subsidiary)

At the balance sheet date, the amount due to ICare247 Limited totalled £18,545 (2018: £31,695).

Karis Group Sierra Leone Limited (50% owned by KG&S Limited)

KG&S Limited have paid for expenses and costs relating to Karis Group Sierra Leone Limited. At the balance sheet date, the amount due from Karis Group Sierra Leone Limited totalled £462,705 (2018: £757,907).

Summary of transactions with other related parties

Karis Group Limited (Under common control)

At the balance sheet date, the amount due to Karis Group Limited totalled £1,503.65 (2018: £11,264).

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