

COMPANY REGISTRATION NUMBER: 11990861

Kamluck Holdings Limited
Financial Statements
30 September 2020



BOWKER ORFORD
Chartered accountants & statutory auditor
15-19 Cavendish Place
London
W1G 0DD

Kamluck Holdings Limited

Financial Statements

Year ended 30 September 2020

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Kamluck Holdings Limited

Strategic Report

Year ended 30 September 2020

Review of the business

The year ended 30th September 2020 was an unusual year in that a pandemic occurred part way through the year, despite the initial uncertainty, the group was fortunate to be trading in the construction sector which continued to operate throughout the lockdown. There were periods of intensive demand in the market during this period. The group supported by the hard work of the staff made best efforts to meet this demand surge. The resultant effect was that overall, the sales in the subsidiary increased by 10.39% as compared with the period ended 30th September 2019. Gross profit margin in the subsidiary increased from 16.87% to 20.20% during the year. This was a return to more normal levels which were temporarily depressed in the previous year due to the supply chain disruptions as mentioned last year. The Directors are pleased to report that profit before taxation increased from £630,376 to £3,904,107. This increase being attributable to the combination of increased sales and a return to normal gross margins.

Financial key performance indicators

The group maintains several key performance indicators in respect of cash flow, sales growth, gross margin, and profitability.

Principal risks and uncertainties

The group's operational activities expose it to numerous potential financial risks and uncertainties which may affect the performance of the group. These are reviewed regularly by the directors. The key risks are as follows:

Price risk

The group is being and will continue to be affected by supplier price increases which are occurring more frequently and at higher levels following on from the pandemic. This is in part due to the shortage of materials in some areas resulting from increased demand as covid rules are relaxed by the Government. The directors are of the opinion that adherence to the group's purchasing policies, regular review and communication with major suppliers and negotiating where possible forward price increases for periods greater than 12 months mitigates this risk as far as possible.

Credit risk

There is a risk of bad debts in the normal course of trading. The group operates practices to minimise this risk. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored closely on an ongoing basis and trade insurance policies are maintained where required and if available. Customer credit ratings are monitored using credit agencies and regular updates from our trade insurers.

Liquidity risk

The group has bank and cash balances of £6,028,520 (2019: £2,077,311). The directors are confident that the funding structure is sufficient for trading operations, capital expenditure and any future expansion.

Market risk

The group mitigates the risks that arise through competitive pressures by offering a service that is of high quality, through well trained staff, as well as competitively priced goods. The development of strong client relationships is actively pursued to maintain a strong loyal customer base. Any risks associated with Brexit continue to be monitored, the group does not supply directly to the European market and has negligible exposure on the supply side, there still could be indirect exposure where the overall market is affected by for example a shortage of skilled workers.

Kamluck Holdings Limited

Strategic Report *(continued)*

Year ended 30 September 2020

Further the supply side is currently affected by shortages of materials in particular cement because of the effects of the pandemic. The directors continually explore all alternatives and new suppliers where there are shortages and are confident that they will be able to source materials sufficient to meet materially the group's operational capacity. Action will be taken as necessary to vary sales product mixes should this be required.

Coronavirus risk

The group has put in place procedures to comply with appropriate guidelines issued by the government. Due to the nature of the products supplied, methods of operation, customer base and the full support of the dedicated staff the company has managed to operate at full capacity during the lockdown periods and expects this to continue.


Health & safety risk

The group treats the health and safety of its staff and others with the high priority that it deserves. There are dedicated health and safety staff, who along with external expert consultants continually monitor and update training of staff and workers and make procedural changes as required to best meet regulatory requirements. Further the group maintains appropriate employer and public liability insurances. Even though the group meets its regulatory obligations and is continuously active in this area, only foreseeable events can be pre-empted. Inevitably, there will be rare occasions where individuals take unorthodox unforeseeable actions despite having full training and experience and accidents may occur, should accidents occur in these circumstances urgent investigation and action is always undertaken to ensure that the risk of re-occurrence of the same event is minimised as far as is possible.

Outlook

There are significant challenges in the current market particularly due to the current pandemic. The company's fortunes are of course tied to the greater economy and the long-term effects of the pandemic remain to be seen. Currently the group is still optimistic and experiencing robust demand, however there are signs of potential issues on the supply side in terms of significant inflationary pressures and some shortages of materials. It is difficult to predict or estimate the impact on the market or the time frame over which there might be impact. The group is committed to being proactive in protecting its market and supply chain, with a focus on continuing to provide an exemplary service to its customers.

This report was approved by the board of directors on 25 June 2021 and signed on behalf of the board by:



Lakhbir Singh
Director

Registered office:
Botany Marsh, Lower Road
Northfleet
Kent
England
DA11 9BB

Kamluck Holdings Limited

Directors' Report

Year ended 30 September 2020

The directors present their report and the financial statements of the group for the year ended 30 September 2020.

Directors

The directors who served the company during the year were as follows:

Kamaljit Gill
Lukhbir Singh

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The group is expected to continue to grow its operational business strategically and profitably over the coming year through providing dedicated service to both existing and new customers.

Financial instruments

The key financial risks to which the group is exposed are discussed in the Strategic Report on pages 1 and 2.

Disclosure of information in the strategic report

In accordance with s.414C(11) of the Companies Act 2006, the group choose to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in the Strategic Report on pages 1 and 2.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the 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 (United Kingdom Accounting Standards 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Kamluck Holdings Limited

Directors' Report *(continued)*

Year ended 30 September 2020

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 25 June 2021 and signed on behalf of the board by:



Lukhbir Singh
Director

Registered office:
Botany Marsh, Lower Road
Northfleet
Kent
England
DA11 9BB

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited

Year ended 30 September 2020

Opinion

We have audited the financial statements of Kamluck Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 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 group's and of the parent company's affairs as at 30 September 2020 and of the group's profit for the year 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 for 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 group 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited (continued)

Year ended 30 September 2020

Other information

The other information comprises the information included in the annual report, 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 year 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited

(continued)

Year ended 30 September 2020

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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited

(continued)

Year ended 30 September 2020

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Rashpal Parmar FCA (Senior Statutory Auditor)

For and on behalf of
Bowker Orford
Chartered accountants & statutory auditor
15-19 Cavendish Place
London
W1G 0DD

25 June 2021

Kamluck Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 30 September 2020

	Note	2020 £	2019 £
Turnover	4	30,810,230	6,977,885
Cost of sales		24,585,147	5,804,390
Gross profit		6,225,083	1,173,495
Administrative expenses		2,447,644	588,691
Operating profit	5	3,777,439	584,804
Other interest receivable and similar income	9	140,324	49,607
Interest payable and similar expenses	10	13,656	4,035
Profit before taxation		3,904,107	630,376
Tax on profit	11	755,841	123,442
Profit for the financial year and total comprehensive income		3,148,266	506,934

All the activities of the group are from continuing operations.

The notes on pages 15 to 25 form part of these financial statements.

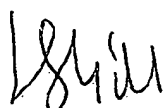
Kamluck Holdings Limited

Consolidated Statement of Financial Position

30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	1,748,510	2,028,386
Current assets			
Stocks	14	556,364	903,486
Debtors	15	11,293,650	11,207,850
Cash at bank and in hand		6,028,520	2,077,311
		<u>17,878,534</u>	<u>14,188,647</u>
Creditors: amounts falling due within one year	16	7,110,517	6,769,650
Net current assets		<u>10,768,017</u>	<u>7,418,997</u>
Total assets less current liabilities		<u>12,516,527</u>	<u>9,447,383</u>
Creditors: amounts falling due after more than one year	17	412,391	531,546
Provisions	19	142,956	102,923
Net assets		<u>11,961,180</u>	<u>8,812,914</u>
Capital and reserves			
Called up share capital	22	4	4
Profit and loss account		11,961,176	8,812,910
Shareholders funds		<u>11,961,180</u>	<u>8,812,914</u>

These financial statements were approved by the board of directors and authorised for issue on 25 June 2021, and are signed on behalf of the board by:



Lakhbir Singh
Director

Company registration number: 11990861

The notes on pages 15 to 25 form part of these financial statements.

Kamluck Holdings Limited

Company Statement of Financial Position

30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	2	2
Current assets			
Debtors	15	5,631,757	3,000,002
Cash at bank and in hand		467,089	–
		<u>6,098,846</u>	<u>3,000,002</u>
Creditors: amounts falling due within one year	16	<u>18,780</u>	<u>–</u>
Net current assets		<u>6,080,066</u>	<u>3,000,002</u>
Total assets less current liabilities		<u>6,080,068</u>	<u>3,000,004</u>
Capital and reserves			
Called up share capital	22	4	4
Profit and loss account		<u>6,080,064</u>	<u>3,000,000</u>
Shareholders funds		<u>6,080,068</u>	<u>3,000,004</u>

The profit for the financial year of the parent company was £3,080,064 (2019: £3,000,000).

These financial statements were approved by the board of directors and authorised for issue on 25 June 2021, and are signed on behalf of the board by:

Lukhbir Singh
Director

Company registration number: 11990861

The notes on pages 15 to 25 form part of these financial statements.

Kamluck Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 30 September 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2018	–	8,305,976	8,305,976
Profit for the year		506,934	506,934
Total comprehensive income for the year	–	506,934	506,934
Issue of shares	4	–	4
Total investments by and distributions to owners	4	–	4
At 30 September 2019	4	8,812,910	8,812,914
Profit for the year		3,148,266	3,148,266
Total comprehensive income for the year	–	3,148,266	3,148,266
At 30 September 2020	4	11,961,176	11,961,180

The notes on pages 15 to 25 form part of these financial statements.

Kamluck Holdings Limited

Company Statement of Changes in Equity

Year ended 30 September 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2018	—	—	—
Profit for the year	—	3,000,000	3,000,000
Total comprehensive income for the year	—	3,000,000	3,000,000
Issue of shares	4	—	4
Total investments by and distributions to owners	4	—	4
At 30 September 2019	4	3,000,000	3,000,004
Profit for the year	—	3,080,064	3,080,064
Total comprehensive income for the year	—	3,080,064	3,080,064
At 30 September 2020	4	6,080,064	6,080,068

The notes on pages 15 to 25 form part of these financial statements.

Kamluck Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	3,148,266	506,934
<i>Adjustments for:</i>		
Depreciation of tangible assets	544,702	161,772
Other interest receivable and similar income	(140,324)	(49,607)
Interest payable and similar expenses	13,656	4,035
Loss on disposal of tangible assets	28,854	8,784
Tax on profit	755,841	124,692
Accrued expenses/(income)	47,905	(1,333)
<i>Changes in:</i>		
Stocks	347,122	(903,486)
Trade and other debtors	(85,800)	(3,506,472)
Trade and other creditors	47,504	6,265,913
Provisions and employee benefits	5,913	102,923
Cash generated from operations	4,713,639	2,714,155
Interest paid	(13,656)	(4,035)
Interest received	140,324	49,607
Tax paid	(509,063)	(126,716)
Net cash from operating activities	<u>4,331,244</u>	<u>2,633,011</u>
Cash flows from investing activities		
Purchase of tangible assets	(449,404)	(341,015)
Proceeds from sale of tangible assets	155,724	173,846
Net cash used in investing activities	<u>(293,680)</u>	<u>(167,169)</u>
Cash flows from financing activities		
Payments of finance lease liabilities	(86,355)	(388,531)
Net cash used in financing activities	<u>(86,355)</u>	<u>(388,531)</u>
Net increase in cash and cash equivalents	3,951,209	2,077,311
Cash and cash equivalents at beginning of year	2,077,311	–
Cash and cash equivalents at end of year	<u>6,028,520</u>	<u>2,077,311</u>

The notes on pages 15 to 25 form part of these financial statements.

Kamluck Holdings Limited

Notes to the Financial Statements

Year ended 30 September 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Botany Marsh, Lower Road, Northfleet, Kent, DA11 9BB, England.

2. 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'.

3. 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.

Consolidation

The financial statements consolidate the financial statements of Kamluck Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

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.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

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:

Long leasehold property	- 33% straight line
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of goods	<u>30,810,230</u>	<u>6,977,885</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Depreciation of tangible assets	544,702	647,088
Loss on disposal of tangible assets	28,854	35,138
Impairment of trade debtors	7,740	23,457
Foreign exchange differences	<u>(267)</u>	<u>635</u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>11,000</u>	<u>11,000</u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Production staff	5	5
Administrative staff	<u>24</u>	<u>22</u>
	<u>29</u>	<u>27</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	939,687	203,694
Social security costs	95,277	21,954
Other pension costs	<u>16,616</u>	<u>3,327</u>
	<u>1,051,580</u>	<u>228,975</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>26,077</u>	<u>29,250</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on bank deposits	39,481	9,111
Other interest receivable and similar income	100,843	40,496
	<u>140,324</u>	<u>49,607</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on obligations under finance leases and hire purchase contracts	13,656	4,035

11. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	721,721	122,493
Deferred tax:		
Origination and reversal of timing differences	34,120	949
Tax on profit	<u>755,841</u>	<u>123,442</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	3,904,107	630,376
Profit on ordinary activities by rate of tax	741,780	119,771
Effect of expenses not deductible for tax purposes	1,929	660
Effect of capital allowances and depreciation	(21,988)	397
Effect of different UK tax rates on some earnings	–	949
Other tax adjustment to increase/(decrease) tax liability - desc in a/cs	34,120	1,665
Tax on profit	<u>755,841</u>	<u>123,442</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

12. Tangible assets

Group	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 October 2019	680,173	3,090,975	118,625	3,889,773
Additions	—	442,121	7,283	449,404
Disposals	—	(305,647)	—	(305,647)
At 30 September 2020	<u>680,173</u>	<u>3,227,449</u>	<u>125,908</u>	<u>4,033,530</u>
Depreciation				
At 1 October 2019	561,436	1,237,206	62,745	1,861,387
Charge for the year	64,258	471,645	8,799	544,702
Disposals	—	(121,069)	—	(121,069)
At 30 September 2020	<u>625,694</u>	<u>1,587,782</u>	<u>71,544</u>	<u>2,285,020</u>
Carrying amount				
At 30 September 2020	<u>54,479</u>	<u>1,639,667</u>	<u>54,364</u>	<u>1,748,510</u>
At 30 September 2019	<u>118,737</u>	<u>1,853,769</u>	<u>55,880</u>	<u>2,028,386</u>

The company has no tangible assets.

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 October 2019 and 30 September 2020	<u>2</u>
Impairment	
At 1 October 2019 and 30 September 2020	<u>—</u>
Carrying amount	
At 1 October 2019 and 30 September 2020	<u>2</u>
At 30 September 2019	<u>2</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

13. Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Gill Aggregates Limited	Botany Marsh, Lower Road Northfleet Kent DA11 9BB	Ordinary	100

14. Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	<u>556,364</u>	<u>903,486</u>	<u>—</u>	<u>—</u>

15. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	6,367,989	6,097,534	—	—
Amounts owed by group undertakings	—	—	1,250,002	317,089
Prepayments and accrued income	261,460	173,271	—	—
Other debtors	<u>4,664,201</u>	<u>4,937,045</u>	<u>4,381,755</u>	<u>2,682,913</u>
	<u>11,293,650</u>	<u>11,207,850</u>	<u>5,631,757</u>	<u>3,000,002</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	4,349,870	4,382,515	—	—
Accruals and deferred income	344,710	296,805	—	—
Corporation tax	473,937	261,279	18,780	—
Social security and other taxes	434,242	325,279	—	—
Obligations under finance leases and hire purchase contracts	275,258	242,458	—	—
Other creditors	<u>1,232,500</u>	<u>1,261,314</u>	<u>—</u>	<u>—</u>
	<u>7,110,517</u>	<u>6,769,650</u>	<u>18,780</u>	<u>—</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>412,391</u>	<u>531,546</u>	<u>—</u>	<u>—</u>

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	275,258	242,458	—	—
Later than 1 year and not later than 5 years	<u>412,391</u>	<u>531,546</u>	<u>—</u>	<u>—</u>
	<u>687,649</u>	<u>774,004</u>	<u>—</u>	<u>—</u>

19. Provisions

Group	Deferred tax (note 20) £	Other £	Total £
At 1 October 2019	80,472	22,451	102,923
Additions	<u>34,120</u>	<u>5,913</u>	<u>40,033</u>
At 30 September 2020	<u>114,592</u>	<u>28,364</u>	<u>142,956</u>

The company does not have any provisions.

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in provisions (note 19)	<u>114,592</u>	<u>80,472</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	<u>114,592</u>	<u>—</u>	<u>—</u>	<u>—</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

21. Operating leases

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

	2020	2019
	£	£
Not later than 1 year	812,414	801,544
Later than 1 year and not later than 5 years	439,281	642,277
Later than 5 years	27,047	153,716
	<u>1,278,742</u>	<u>1,597,537</u>

22. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

23. Analysis of changes in net debt

	At 1 Oct 2019	Cash flows	At 30 Sep 2020
	£	£	£
Cash at bank and in hand	2,077,311	3,951,209	6,028,520
Debt due within one year	(242,458)	(32,800)	(275,258)
Debt due after one year	(531,546)	119,155	(412,391)
	<u>1,303,307</u>	<u>4,037,564</u>	<u>5,340,871</u>

24. Financial instruments

Barclays Bank Plc. Hold two charges (created 31/01/2014 and 20/06/2014), both fixed and floating, covering all the property or undertaking of Gill Aggregates Limited. An unlimited guarantee (dated 20/06/2014) was given to Barclays Bank Plc by Gill Aggregates (Holdings) Limited for Gill Aggregates Limited.

25. Contingent assets and liabilities

The subsidiary company, Gill Aggregates Limited, entered into guarantee arrangements with some suppliers of Build Bloc Limited, a company of which Mr Lukhbir Singh is also a director.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

26. Related party transactions

The director, Lukhbir Singh, is also a director of Gill Aggregates (Holdings) Limited, which charged during the year rental for premises to the value of £382,000.

At the year-end, Gill Aggregates Limited owed Kamluck Holdings Limited, the parent company, £1,250,000.

27. Controlling party

The company is jointly controlled by Mr Lukhbir Singh and Mrs Kamaljit Gill, by virtue of each of them holding 50% of the issued share capital.