

KLT Filtration Limited

Unaudited Financial Statements

Year Ended

30 November 2019

Company Number 07542674

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KLT Filtration Limited

Company Information

Directors	S Morris M Hamilton M Littlewood M Greene
Company secretary	M Hamilton
Registered number	07542674
Registered office	Riverside Industrial Estate Estuary Road King's Lynn Norfolk PE30 2HS
Accountants	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

KLT Filtration Limited

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KLT Filtration Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of KLT Filtration Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of KLT Filtration Limited for the year ended 30 November 2019 which comprise the Balance Sheet and the related notes 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that KLT Filtration Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of KLT Filtration Limited. You consider that KLT Filtration Limited 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 financial statements of KLT Filtration Limited. 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.

Use of our report

This report is made solely to the board of directors of KLT Filtration Limited, as a body, in accordance with the terms of our engagement letter dated 8 February 2019. Our work has been undertaken solely to prepare for your approval the accounts of KLT Filtration Limited and state those matters that we have agreed to state to the board of directors of KLT Filtration Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than KLT Filtration Limited and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
Ipswich
United Kingdom

Date: 3rd June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

KLT Filtration Limited

Registered number:07542674

**Balance Sheet
As at 30 November 2019**

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	5		52,796		54,774
Current assets					
Stocks	6	169,394		113,395	
Debtors: amounts falling due within one year	7	229,421		193,234	
Cash at bank and in hand		129,439		114,416	
		<u>528,254</u>		<u>421,045</u>	
Current liabilities					
Creditors: amounts falling due within one year	8	(124,104)		(82,416)	
Net current assets			<u>404,150</u>		<u>338,629</u>
Total assets less current liabilities			<u>456,946</u>		<u>393,403</u>
Provisions for liabilities					
Deferred tax			(8,563)		(9,098)
Net assets			<u><u>448,383</u></u>		<u><u>384,305</u></u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss account			447,383		383,305
			<u><u>448,383</u></u>		<u><u>384,305</u></u>

KLT Filtration Limited
Registered number:07542674

Balance Sheet (continued)
As at 30 November 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

7 May 2020.


M Hamilton
Director

The notes on pages 4 to 10 form part of these financial statements.

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

1. General information

KLT Filtration Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support.

2.3 Turnover

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

Sale of goods

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

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

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.5 Stocks

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

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

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price.

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Pensions

Defined contribution pension plan

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

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

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

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

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

2.14 Research and development

All research and development cost is expensed as incurred.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed as necessary.

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Employees

The average monthly number of employees, including directors, during the year was 11 (2018 - 11).

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

5. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 December 2018	90,363
Additions	7,842
At 30 November 2019	98,205
Depreciation	
At 1 December 2018	35,589
Charge for the year on owned assets	9,820
At 30 November 2019	45,409
Net book value	
At 30 November 2019	52,796
At 30 November 2018	54,774

6. Stocks

	2019 £	2018 £
Raw materials and consumables	135,702	84,820
Work in progress (goods to be sold)	9,776	11,909
Finished goods and goods for resale	23,916	16,666
	169,394	113,395

KLT Filtration Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

7. Debtors

	2019 £	2018 £
Trade debtors	193,045	172,896
Other debtors	30,425	15,218
Prepayments and accrued income	5,951	5,120
	<u>229,421</u>	<u>193,234</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	54,759	43,292
Corporation tax	10,244	-
Other taxation and social security	7,121	5,697
Other creditors	2,429	10,635
Accruals and deferred income	49,551	22,792
	<u>124,104</u>	<u>82,416</u>

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,913 (2018 - £14,819). Contributions totalling £2,429 (2018 - £1,260) were payable to the fund at the balance sheet date and are included in creditors.

10. Related party transactions

During the year the Company sold materials to the value of £179,748 (2018 - £136,319) to a company in which a person with significant influence also has significant influence over KLT Filtration Limited. The balance outstanding at year end is £70,150 (2018 - £66,890).

During the year the Company paid rent of £24,000 (2018 - £22,000) and incurred recharged costs of £55,488 (2018 - £51,972) from companies in which a person with significant influence also has significant influence over KLT Filtration Limited. The balance outstanding at year end is £Nil (2018 - £Nil).

11. Controlling party

The ultimate parent undertaking is KLT Filtration Holdings Limited by virtue of its shareholding in the Company.

By virtue of his majority shareholding the directors deem M Littlewood to be the ultimate controlling party.