

K.T.O. Ltd

Annual Report and Unaudited Financial Statements

for the Year Ended 31 July 2016

K.T.O. Ltd
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K.T.O. Ltd
(Registration number: 08410756)
Balance Sheet as at 31 July 2016

	Note	2016 £	(As restated) 2015 £
Fixed assets			
Intangible assets	<u>5</u>	35,000	40,000
Tangible assets	<u>6</u>	571,344	570,196
		<hr/>	<hr/>
		606,344	610,196
		<hr/>	<hr/>
Current assets			
Stocks	<u>7</u>	11,088	10,274
Debtors	<u>8</u>	45,553	67,245
Cash at bank and in hand		51,340	40,376
		<hr/>	<hr/>
		107,981	117,895
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	<u>9</u>	(796,870)	(786,498)
		<hr/>	<hr/>
Net current liabilities		(688,889)	(668,603)
		<hr/>	<hr/>
Net liabilities		(82,545)	(58,407)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital		1,250	1,250
Profit and loss account		(83,795)	(59,657)
		<hr/>	<hr/>
Total equity		(82,545)	(58,407)
		<hr/>	<hr/>

For the financial year ending 31 July 2016 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.

Approved and authorised by the Board on 21 October 2016 and signed on its behalf by:

.....
Mr T D Standish

Director

The notes on pages 2 to 7 form an integral part of these financial statements.

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K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

1 General information

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

The address of its registered office is:
45 - 47 Westover Road
Bournemouth
Dorset
BH1 2BZ

These financial statements were authorised for issue by the Board on 21 October 2016.

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.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 August 2015 and have had an effect on the financial statements:

Depreciation of plant and machinery

The method of depreciation has been changed to 10% pa straight line basis

Relating to the current period disclosed in these financial statements

£

Relating to the prior period disclosed in these financial statements

£

Relating to periods before the prior period disclosed in these financial statements

£

Depreciation of plant and machinery

-

(48,884)

(36,681)

This category broadly relates to gaming and entertainment machines. Their expected useful life was originally under estimated and now revised to reflect their actual values and useful lives. Current expectations differ from those that existed for the previous policy. The revised policy reflects their use, wear and tear, technological advancement, and likely changes in market prices.



K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The Company recognises revenue when: The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

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 and machinery	10% Straight Line
Improvement of leasehold premises	10% Straight Line
Office equipment	20% Straight Line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% Straight Line

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.

K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 14 (2015 - 14).

K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

4 Loss before tax

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	76,775	116,843
Amortisation expense	5,000	5,000
	<u> </u>	<u> </u>

5 Intangible assets

	Goodwill Total	
	£	£
Cost or valuation		
At 1 August 2015	50,000	50,000
	<u> </u>	<u> </u>
At 31 July 2016	50,000	50,000
	<u> </u>	<u> </u>
Amortisation		
At 1 August 2015	10,000	10,000
Amortisation charge	5,000	5,000
	<u> </u>	<u> </u>
At 31 July 2016	15,000	15,000
	<u> </u>	<u> </u>
Carrying amount		
At 31 July 2016	35,000	35,000
	<u> </u>	<u> </u>
At 31 July 2015	40,000	40,000
	<u> </u>	<u> </u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).

6 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 August 2015	188,661	488,837	677,498
Additions	11,405	66,519	77,924
At 31 July 2016	200,066	555,356	755,422
Depreciation			
At 1 August 2015	21,736	85,566	107,302
Charge for the year	21,240	55,536	76,776
At 31 July 2016	42,976	141,102	184,078
Carrying amount			
At 31 July 2016	157,090	414,254	571,344
At 31 July 2015	166,925	403,271	570,196

K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 August 2015	188,661	488,837	677,498
Additions	11,405	66,519	77,924
	<hr/>	<hr/>	<hr/>
At 31 July 2016	200,066	555,356	755,422
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 August 2015	21,736	85,566	107,302
Charge for the year	21,240	55,536	76,776
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At 31 July 2016	42,976	141,102	184,078
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Carrying amount			
At 31 July 2016	157,090	414,254	571,344
	<hr/>	<hr/>	<hr/>
At 31 July 2015	166,925	403,271	570,196
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7 Stocks

	2016 £	2015 £
Other inventories	11,088	10,274
	<hr/>	<hr/>

8 Debtors

2016 £	2015 £
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Trade debtors	2,394	-
Other debtors	43,159	67,245
	<hr/>	<hr/>
Total current trade and other debtors	45,553	67,245
	<hr/> <hr/>	<hr/> <hr/>

9 Creditors

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	675,170	672,732
Trade creditors		102,165	98,333
Taxation and social security		17,385	12,884
Other creditors		2,150	2,549
		<hr/>	<hr/>
		796,870	786,498
		<hr/> <hr/>	<hr/> <hr/>

10 Loans and borrowings

	2016 £	2015 £
Current loans and borrowings		
Bank overdrafts	-	600
Other borrowings	675,170	672,132
	<hr/>	<hr/>
	675,170	672,732
	<hr/> <hr/>	<hr/> <hr/>

11 Dividends

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil). This dividend has not been accrued in the Balance Sheet.

K.T.O. Ltd
Notes to the Financial Statements for the Year Ended 31 July 2016

12 Related party transactions

Transactions with directors

	At 1 August 2015 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	Written off £	Waived £	At 31 July 2016 £
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Mr T D Standish

Loan	(488,670)	(51,100)	-	-	-	-	(539,770)
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Mr A McQuin

Loan	(159,000)	23,600	-	-	-	-	(135,400)
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	At 1 August 2014 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	Written off £	Waived £	At 31 July 2015 £
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Mr T D Standish

Loan	(330,391)	(158,279)	-	-	-	-	(488,670)
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Mr A McQuin

Loan	(90,000)	(69,000)	-	-	-	-	(159,000)
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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.