

# K.T.O. Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 September 2020

# **K.T.O. Ltd**

## **Contents**

Balance Sheet	<u>1</u> to <u>2</u>
Notes to the Unaudited Financial Statements	<u>3</u> to <u>10</u>

# K.T.O. Ltd

## (Registration number: 08410756) Balance Sheet as at 30 September 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	15,000	20,000
Tangible assets	<u>5</u>	888,490	601,267
		<u>903,490</u>	<u>621,267</u>
<b>Current assets</b>			
Stocks	<u>6</u>	13,775	6,596
Debtors	<u>7</u>	41,104	89,148
Cash at bank and in hand		98,986	79,211
		<u>153,865</u>	<u>174,955</u>
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	<u>(1,168,316)</u>	<u>(974,390)</u>
<b>Net current liabilities</b>		<u>(1,014,451)</u>	<u>(799,435)</u>
<b>Total assets less current liabilities</b>		<u>(110,961)</u>	<u>(178,168)</u>
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	<u>(136,129)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(247,090)</u>	<u>(178,168)</u>
<b>Capital and reserves</b>			
Called up share capital	<u>9</u>	1,250	1,250
Profit and loss account		<u>(248,340)</u>	<u>(179,418)</u>
<b>Shareholders' deficit</b>		<u>(247,090)</u>	<u>(178,168)</u>

For the financial year ending 30 September 2020 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 18 June 2021 and signed on its behalf by:

**K.T.O. Ltd**

**(Registration number: 08410756)**  
**Balance Sheet as at 30 September 2020**

.....  
T D Standish  
Director

# **K.T.O. Ltd**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020**

### **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  
England

These financial statements were authorised for issue by the Board on 18 June 2021.

### **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 October 2019 and have had an effect on the financial statements:

#### **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.

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 balance sheet 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.

## K.T.O. Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

#### 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.

#### 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.

## **K.T.O. Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020**

#### **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.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.

#### **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.

## **K.T.O. Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020**

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 15 (2019 - 12).



# K.T.O. Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 October 2019	50,000	50,000
At 30 September 2020	50,000	50,000
<b>Amortisation</b>		
At 1 October 2019	30,000	30,000
Amortisation charge	5,000	5,000
At 30 September 2020	35,000	35,000
<b>Carrying amount</b>		
At 30 September 2020	15,000	15,000
At 30 September 2019	20,000	20,000

### 5 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 October 2019	188,997	829,094	14,488	1,032,579
Additions	1,597	394,958	-	396,555
At 30 September 2020	190,594	1,224,052	14,488	1,429,134
<b>Depreciation</b>				
At 1 October 2019	96,426	323,384	11,502	431,312
Charge for the year	19,180	87,083	3,069	109,332
At 30 September 2020	115,606	410,467	14,571	540,644
<b>Carrying amount</b>				
At 30 September 2020	74,988	813,585	(83)	888,490
At 30 September 2019	92,571	505,710	2,986	601,267

### 6 Stocks

	2020 £	2019 £
Other inventories	13,775	6,596

## K.T.O. Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

#### 7 Debtors

	2020	2019
	£	£
Prepayments	18,104	28,209
Other debtors	23,000	60,939
	<u>41,104</u>	<u>89,148</u>

# K.T.O. Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

### 8 Creditors

#### Creditors: amounts falling due within one year

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>10</u>	47,054	-
Trade creditors		135,483	247,156
Taxation and social security		24,596	5,810
Accruals and deferred income		14,905	4,204
Other creditors		946,278	717,220
		<u>1,168,316</u>	<u>974,390</u>

#### Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<u>10</u>	<u>136,129</u>	<u>-</u>

### 9 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary £1 Shares of £1 each	1,250	1,250	1,250	1,250

### 10 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	45,833	-
Hire purchase contracts	90,296	-
	<u>136,129</u>	<u>-</u>

# K.T.O. Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	4,167	-
Bank overdrafts	2,074	-
Hire purchase contracts	40,813	-
	<u>47,054</u>	<u>-</u>

### 11 Related party transactions

#### Transactions with directors

	At 1 October 2019 £	Advances to directors £	At 30 September 2020 £
<b>2020</b>			
<b>A McQuin</b>			
Loan	(187,650)	(53,270)	(240,920)
	<u></u>	<u></u>	<u></u>
<b>T D Standish</b>			
Loan	(528,570)	(175,470)	(704,039)
	<u></u>	<u></u>	<u></u>

	At 1 August 2018 £	Advances to directors £	Repayments by director £	At 30 September 2019 £
<b>2019</b>				
<b>A McQuin</b>				
Loan	(153,650)	(35,000)	-	(187,650)
	<u></u>	<u></u>	<u></u>	<u></u>
<b>T D Standish</b>				
Loan	(547,070)	-	18,500	(528,570)
	<u></u>	<u></u>	<u></u>	<u></u>

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.