

**KINETICS CONTROLS AND INNOVATION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023
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KINETICS CONTROLS AND INNOVATION LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023	2022
		£	£
Fixed assets			
Intangible assets	3	12,000	0
Tangible assets	4	38,214	41,028
		50,214	41,028
Current assets			
Stocks	5	99,458	66,676
Debtors	6	913,040	155,884
Cash at bank and in hand		1,278,308	1,700,876
		2,290,806	1,923,436
Creditors: amounts falling due within one year	7	(457,754)	(932,374)
Net current assets		1,833,052	991,062
Total assets less current liabilities		1,883,266	1,032,090
Net assets		1,883,266	1,032,090
Capital and reserves			
Called-up share capital	8	700	700
Capital redemption reserve		575	575
Profit and loss account		1,881,991	1,030,815
Total shareholder's funds		1,883,266	1,032,090

For the financial year ending 31 August 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Kinetics Controls and Innovation Limited (registered number: SC228728) were approved and authorised for issue by the Director on 10 January 2024. They were signed on its behalf by:

Roy Mackenzie
Director

KINETICS CONTROLS AND INNOVATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Kinetics Controls and Innovation Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is 28 Albyn Place, Aberdeen, AB10 1YL, United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The director has assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The director has a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised as services are provided.

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Employee benefits

Short term benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution schemes

Payments to defined contribution retirement schemes are charged as an expense as they fall due.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Other intangible assets	5 years straight line
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Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	3 years straight line
Plant and machinery etc.	3 - 5 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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Leases

The Company as lessee

Rentals payable under operating leases, including any lease incentives received, are charged to profit and loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

At each balance sheet date, the company reviews its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal activity levels.

Stocks held for distribution at no or nominal consideration are measured at the lower of the replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand with original maturities of three months or less.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

KINETICS CONTROLS AND INNOVATION LIMITED
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Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including the director	12	12

3. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 01 September 2022	0	0
Additions	15,000	15,000
At 31 August 2023	15,000	15,000
Accumulated amortisation		
At 01 September 2022	0	0
Charge for the financial year	3,000	3,000
At 31 August 2023	3,000	3,000
Net book value		
At 31 August 2023	12,000	12,000
At 31 August 2022	0	0

During the year the company purchased intellectual property from a fellow connected company at market value.

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4. Tangible assets

	Land and buildings	Plant and machinery etc.	Total
	£	£	£
Cost			
At 01 September 2022	27,370	108,801	136,171
Additions	0	9,847	9,847
Disposals	0	(1,280)	(1,280)
At 31 August 2023	27,370	117,368	144,738
Accumulated depreciation			
At 01 September 2022	27,370	67,773	95,143
Charge for the financial year	0	12,405	12,405
Disposals	0	(1,024)	(1,024)
At 31 August 2023	27,370	79,154	106,524
Net book value			
At 31 August 2023	0	38,214	38,214
At 31 August 2022	0	41,028	41,028

5. Stocks

	2023	2022
	£	£
Stocks	99,458	66,676

6. Debtors

	2023	2022
	£	£
Trade debtors	795,276	48,230
Other debtors	117,764	107,654
	913,040	155,884

7. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	24,894	18,879
Taxation and social security	249,584	210,974
Other creditors	183,276	702,521
	457,754	932,374

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8. Called-up share capital

	2023	2022
	£	£
Allotted, called-up and fully-paid		
700 Ordinary shares of £ 1.00 each	700	700

9. Financial commitments

Commitments

	2023	2022
	£	£
Total future minimum lease payments under non-cancellable operating lease	339,399	35,000

Included within the above financial commitment is £243,149 (2022 - £nil) for the lease of six Electric Vehicles which are recovered from employees through a salary sacrifice arrangement.

10. Related party transactions

Other related party transactions

At the year end, there was a balance of £nil (2022 - £50,000) due from a company under common control. This loan was interest free and had no fixed terms of repayment in place.

11. Ultimate controlling party

Parent Company:

Kinetics Controls and Innovation (Holdings) Limited
28 Albyn Place
Aberdeen
AB10 1YL

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.