

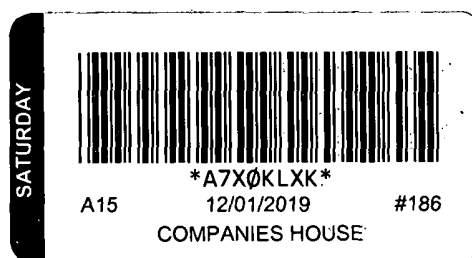
Kamkorp Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 2498266



Kamkorp Limited

Company Information

Directors	K Siddiqi S K Siddiqi (appointed 23 November 2018)
Company secretary	P Alexander
Registered number	2498266
Registered office	Mytchett Place Mytchett Place Road Mytchett Surrey GU16 6DQ
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Kamkorp Limited

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Kamkorp Limited

Group Strategic Report For the Year Ended 31 December 2016

Introduction

The director presents his strategic report together with the audited financial statements for the year ended 31 December 2015

Business review

The Group's core companies continue to operate and build on their respective expertise, know-how and technologies. In particular, one of its core operating companies remains engaged with research, development, prototyping and small volume production, provision of design and engineering service, manufacture and supply of its electric and range-extended electric drivetrains.

The company principally is a holding company of various engineering and investment holding companies. It provides management support to its group companies.

Turnover for the Group during the period decreased by 38% to £9.5m from £15.3m. The Group recorded a net loss of £16.6m for the period compared to a net loss of £4.3m for the previous year.

The Group continues to expand its intellectual capital resources to meet its increasing demand and growth.

Future developments

The Group continues to leverage on its achievements and successes in its expertise in the uses and applications of electric and range-extended electric drivetrains in various environmentally friendly vehicles. It aims to further develop and commercialise the application of the technologies developed for use in energy capture, management, generation and storage.

Financial key performance indicators

The key performance indicators of the Group are as follows:

	% decrease	2016	2015
	£	£	£
Turnover	(38)	9.5	15.3
Operating loss	(200)	(17.1)	(5.7)
Net loss after tax	(286)	(16.6)	(4.3)

Principal risks and uncertainties

Business Risk- The market uncertainty continues to have a dampening effect on the demand of its engineering services. On the other hand, there are increasingly more industry focus and demand for electric and range-extended electric commercial vehicles used for deliveries of goods and smart grid solutions. These would provide further opportunities for growth of the Group.

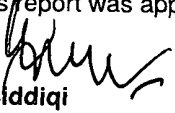
Supply risk – The Group is reliant on its suppliers for materials used in the manufacture of our products. Careful planning including diversification of supply sources ensure that long-lead time items are purchased in advance and the timely delivery of the components and parts required for the various projects undertaken. The group is actively expanding its supplier base spanning different geographical areas.

Liquidity risk – This is mitigated by to the continuing financial support from shareholders of the Group and in particular K Siddiqi.

Kamkorp Limited

Group Strategic Report For the Year Ended 31 December 2016

This report was approved by the board on 9 January 2019 and signed on its behalf.


K Siddiqi
Director

Kamkorp Limited

Directors' Report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £16,413,318 (2015 - loss £4,312,174).

The company did not pay any dividends during the year. The directors do not recommend the payment of a final dividend

Director

The director who served during the year was:

K Siddiqi

S K Siddiqi was appointed as a director on 23 November 2018.

Going concern

Based on forecasts and projections, together with available market information and the directors' knowledge and experience of the Group's developments and matters, the directors have a reasonable expectation that the Group and parent company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Matters covered in the strategic report

The business review, future developments, financial key performance indicators and principal risks and uncertainties are included in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Kamkorp Limited

Directors' Report (continued) For the Year Ended 31 December 2016

This report was approved by the board on

9 January 2019

and signed on its behalf.


K Siddiqi
Director

Kamkorp Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2016

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 director has 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 director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and the Group and of 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Kamkorp Limited

Independent Auditor's report to the members of Kamkorp Limited

We were engaged to audit the financial statements of Kamkorp Limited for the year ended 31 December 2016 which comprise the consolidated Statement of Comprehensive Income, the consolidated and company Balance Sheet, the consolidated Statement of Cash Flows, the consolidated and company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Basis for disclaimer of opinion on financial statements

In seeking to form an opinion on the financial statements we considered the implications of the significant uncertainties disclosed in the financial statements concerning the following matters:

Customer contract

The group is in discussion with a major customer on the obligations it has regarding the completion of a significant contract. Included within Accruals and Deferred income shown in note 16, for the group, is an amount of £22,891,119. This amount was determined based on an assessment of the work done as a proportion of the total fair value of the contract. As the discussions are on going, the audit evidence available to us was limited for us to determine the accuracy of the value of deferred revenues and so we have been unable to obtain sufficient appropriate audit evidence concerning both turnover and deferred income.

The outcome of the discussions could also impact on costs to complete the obligations arising under the contract which could result in additional liabilities that should be recognised in these financial statements which could also impact the tax charge and liabilities.

There is potential for the uncertainties to interact with one another such that we have been unable to obtain sufficient appropriate audit evidence regarding the possible effect of the uncertainties taken together.

Investment

As disclosed in note 11, the group holds an investment in a related party company which has a cost of £17,500,000. As of the date of approval of these accounts, this company has not commenced trading and we have been unable to obtain sufficient appropriate audit evidence to support the carrying value of the investment.

Going Concern

As disclosed in note 2.4 the significant component of the group, Frazer-Nash Research Limited, is currently undergoing a Company Voluntary Arrangement the outcome of which is uncertain. We have not been able to obtain sufficient appropriate audit evidence that the company is a going concern nor assess the impact on the group should the matter not be resolved satisfactorily.

Kamkorp Limited

Independent Auditor's report to the members of Kamkorp Limited

Basis for disclaimer of opinion on financial statements (continued)

Business Combination

On 10 March 2016, the company obtained a controlling interest in the URT Group. Completion accounts were not prepared for the period then ended. We have been unable to obtain sufficient appropriate evidence to establish that:

- the net assets acquired as set out in note 24 are materially correct
- the post-acquisition results of the acquisition included in the group profit and loss account are materially correct.

Additionally, information in respect of staff costs and operating lease disclosures of the URT group for inclusion in the group accounts of the company are unavailable.

Disclaimer of opinion on financial statements

Because of the significance of the possible impact of the uncertainties, described in the Basis for disclaimer of opinion on financial statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the Basis for disclaimer of opinion on the financial statements paragraph of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements

Kamkorp Limited

Independent Auditor's report to the members of Kamkorp Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we are unable to conclude whether or not the Strategic report and Director's report are materially misstated in respect of the matters set out in the Basis for disclaimer of opinion on the financial statements paragraph of our report.

In respect of the matters set out in the Basis for disclaimer of opinion on the financial statements paragraph of our report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters where 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.

BDO Wf

Malcolm Thixton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Southampton
United Kingdom

10/1/19

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

Kamkorp Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	9,488,829	15,287,596
Cost of sales		(4,963,178)	(7,958,696)
Gross profit		4,525,651	7,328,900
Administrative expenses		(21,689,133)	(13,009,993)
Operating loss	5	(17,163,482)	(5,681,093)
Share of loss of associate		(176,960)	(402,300)
Total operating loss		(17,340,442)	(6,083,393)
Interest receivable and similar income		3,718	9,417
Interest payable and expenses	7	(618,202)	(5,438)
Loss before tax		(17,954,926)	(6,079,414)
Tax on loss	8	1,389,628	1,767,240
Loss for the year		(16,565,298)	(4,312,174)
Profit and total comprehensive income for the year attributable to:			
Non-controlling interest		(151,980)	-
Owners of the parent company		(16,413,318)	(4,312,174)
		(16,565,298)	(4,312,174)

There was no other comprehensive income for 2016 (2015:£NIL).

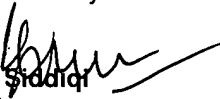
The notes on pages 16 to 39 form part of these financial statements.

Kamkorp Limited
Registered number:2498266

Consolidated Balance Sheet
As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	9		357,292		382,292
Tangible assets	10		3,675,303		3,029,725
Investments	11		17,500,000		18,872,034
			<u>21,532,595</u>		<u>22,284,051</u>
Current assets					
Stocks	13	1,598,470		1,287,152	
Debtors: amounts falling due within one year	14	3,400,208		1,609,024	
Cash at bank and in hand	15	128,971		22,749	
		<u>5,127,649</u>		<u>2,918,925</u>	
Creditors: amounts falling due within one year	16	(69,778,475)		(58,686,057)	
Net current liabilities			<u>(64,650,826)</u>		<u>(55,767,132)</u>
Total assets less current liabilities			<u>(43,118,231)</u>		<u>(33,483,081)</u>
Creditors: amounts falling due after more than one year	17		(6,895,428)		(20,933)
Provisions for liabilities					
Deferred taxation	21		(723)		(91,212)
Net liabilities			<u>(50,014,382)</u>		<u>(33,595,226)</u>
Capital and reserves					
Called up share capital	22		1,000,000		1,000,000
Profit and loss account	23		(51,008,544)		(34,595,226)
Equity attributable to owners of the parent Company			<u>(50,008,544)</u>		<u>(33,595,226)</u>
Non-controlling interests			(5,838)		-
Total equity			<u>(50,014,382)</u>		<u>(33,595,226)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 January 2019


K Stoddart
Director


The notes on pages 16 to 39 form part of these financial statements.

Kamkorp Limited
Registered number:2498266

Company Balance Sheet
As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investments	11		208		1,809,208
			<u>208</u>		<u>1,809,208</u>
Current assets					
Debtors: amounts falling due within one year	14	372,066		1,589,008	
Cash at bank and in hand	15	73,789		4,383	
		<u>445,855</u>		<u>1,593,391</u>	
Creditors: amounts falling due within one year	16	(48,609,558)		(34,328,606)	
Net current liabilities			<u>(48,163,703)</u>		<u>(32,735,215)</u>
Total assets less current liabilities			<u>(48,163,495)</u>		<u>(30,926,007)</u>
Net liabilities			<u>(48,163,495)</u>		<u>(30,926,007)</u>
Capital and reserves					
Called up share capital	22		1,000,000		1,000,000
Profit and loss account brought forward		(31,926,007)		(28,661,967)	
Loss for the year		<u>(17,237,488)</u>		<u>(3,264,040)</u>	
Profit and loss account carried forward			<u>(49,163,495)</u>		<u>(31,926,007)</u>
			<u>(48,163,495)</u>		<u>(30,926,007)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 January 2019


K. Siddiqi
Director

Kamkorp Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Non- controlling interests	Total equity
	£	£	£	£
At 1 January 2016	1,000,000	(34,595,226)	-	(33,595,226)
Comprehensive income for the year				
Loss for the year	-	(16,413,318)	(151,980)	(16,565,298)
Total comprehensive income for the year	-	(16,413,318)	(151,980)	(16,565,298)
On acquisition	-	-	146,142	146,142
At 31 December 2016	1,000,000	(51,008,544)	(5,838)	(50,014,382)

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1,000,000	(30,283,052)	(29,283,052)
Comprehensive income for the year			
Loss for the year	-	(4,312,174)	(4,312,174)
Total comprehensive income for the year	-	(4,312,174)	(4,312,174)
At 31 December 2015	1,000,000	(34,595,226)	(33,595,226)

The notes on pages 16 to 39 form part of these financial statements.

Kamkorp Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1,000,000	(31,926,007)	(30,926,007)
Comprehensive income for the year			
Loss for the year	-	(17,237,488)	(17,237,488)
	-	(17,237,488)	(17,237,488)
Total comprehensive income for the year			
	-	(17,237,488)	(17,237,488)
At 31 December 2016	1,000,000	(49,163,495)	(48,163,495)

Company Statement of Changes in Equity For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1,000,000	(28,661,967)	(27,661,967)
Comprehensive income for the year			
Loss for the year	-	(3,264,040)	(3,264,040)
	-	(3,264,040)	(3,264,040)
Total comprehensive income for the year			
	-	(3,264,040)	(3,264,040)
At 31 December 2015	1,000,000	(31,926,007)	(30,926,007)

The notes on pages 16 to 39 form part of these financial statements.

Kamkorp Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(16,565,298)	(4,312,174)
Adjustments for:		
Amortisation of intangible assets	25,000	25,000
Depreciation of tangible assets	420,855	314,151
Impairments of intangible assets	1,006,972	-
Interest paid	618,202	5,438
Interest received	(3,718)	(9,417)
Taxation charge	(1,389,628)	(1,767,240)
Decrease in stocks	68,099	113,474
Decrease in debtors	807,611	216,853
Decrease in creditors	(1,867,626)	(10,264,720)
Share of loss of associate	176,960	402,300
Corporation tax paid	(314,779)	(4,131,966)
Net cash used by operating activities	(17,017,350)	(19,408,301)
Cash flows from investing activities		
Purchase of tangible fixed assets	(129,847)	(157,979)
Sale of tangible fixed assets	-	3,712
Acquisition of subsidiary undertaking less cash acquired	64,341	-
Interest received	3,718	9,417
Net cash from investing activities	(61,788)	(144,850)
Cash flows from financing activities		
New bank loans	12,630,000	-
Director loan introduced	17,010,000	14,858,000
Director's loan repaid	(12,265,924)	(1,849,694)
Repayment of finance leases	(10,000)	(10,000)
Interest paid	(874,587)	(5,438)
Related party loan advanced	717,771	5,878,555
Net cash generated from financing activities	17,207,260	18,871,423

Kamkorp Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2016

	2016 £	2015 £
Net increase/(decrease) in cash and cash equivalents	128,122	(681,728)
Cash and cash equivalents at beginning of year	(3,005)	678,723
Cash and cash equivalents at the end of year	125,117	(3,005)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	128,971	22,749
Bank overdrafts	(3,854)	(25,754)
	125,117	(3,005)

The notes on pages 16 to 39 form part of these financial statements.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

Kamkorp Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report.

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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company; and
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.3 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the Goodwill policy below.

2.4 Going concern

On 25th July 2018 a winding-up order was made against a subsidiary company, Frazer-Nash Research Limited. Subsequently, Messrs Frank Wessely and Chris Newell of Quantuma LLP were appointed on 6 November 2018 as Joint Liquidators of Frazer-Nash Research Limited (in Liquidation) to implement a Company Voluntary Arrangement (CVA) with the view of paying all independent creditors 100p to £1. Upon completion of the CVA within an expected short period of time, the aim is for an application for rescission of the winding up order to be made so that Frazer-Nash Research Limited ("FNR") could continue to trade as an on-going concern.

A main source of finance for the Group continues to come from the main shareholder and sole director, K Siddiqi, who has pledged his continued financial support to the group, for a period of at least 12 months from the signing of the accounts.

Management have prepared cash-flow forecasts for the period to 31 December 2019 to assess the working capital needs of the group and have assessed the dependency on the key providers of finance. The cash-flow forecasts show that the group will have sufficient working capital within the period reviewed, and will be able to meet its liabilities as they fall due. Accordingly, management feel it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include any adjustments that would result if the group or company is unable to continue as a going concern.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. the estimated useful life is indicated in the Intangible assets policy below.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Trademarks	-	20	years

2.8 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, by using the straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	-	5% straight line
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Other fixed assets	-	15% reducing balance

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Research and development

Development costs are charged to the profit and loss account in the year of expenditure.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.12 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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.15 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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 payables or receivables, 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 financed at a rate of interest that is not a market rate 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.

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 Consolidated Statement of Comprehensive Income.

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, which is an approximation of the amount that the Group 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.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.17 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

2.18 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 Group in independently administered funds.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. 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.

Other key sources of estimation uncertainty:

- Tangible and intangible fixed assets (see notes 10 and 11)

Tangible and intangible fixed assets, other than investment properties, are depreciated/amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Revenue recognition

Revenue on contracts is recognised based on management's assessment of the work done as a proportion of the total fair value of each contract.

4. Turnover

	2016 £	2015 £
United Kingdom	9,488,829	4,161,777
Overseas	-	11,125,819
	<u>9,488,829</u>	<u>15,287,596</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	-	382,704
Stock expensed in the year	2,742,839	3,952,620
Depreciation of tangible fixed assets	420,855	314,151
Amortisation of intangible assets, including goodwill	25,000	25,000
Impairment of intangible assets	1,006,972	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	22,685	22,020
Exchange differences	6,314	-
Operating leases rentals	412,500	-
Provision against related company debt	9,609,005	5,287,357

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,886,523	4,573,182
Social security costs	547,407	507,463
Cost of defined contribution scheme	28,753	25,866
	<u>5,462,683</u>	<u>5,106,511</u>

Estimated post acquisition staff costs relating to URT Group Limited amount to £1,620,000. These are not included in the figures above.

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Employees (including the director)	<u>202</u>	<u>100</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

7. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	474,407	169
Other loan interest payable	135,917	424
Finance leases and hire purchase contracts	7,878	4,845
	<u>618,202</u>	<u>5,438</u>

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(111,504)	(1,773,026)
Adjustments in respect of previous periods	(1,187,635)	-
	<u>(1,299,139)</u>	<u>(1,773,026)</u>
Total current tax	<u>(1,299,139)</u>	<u>(1,773,026)</u>
Deferred tax		
Origination and reversal of timing differences	(90,489)	5,786
Total deferred tax	<u>(90,489)</u>	<u>5,786</u>
Taxation on loss on ordinary activities	<u>(1,389,628)</u>	<u>(1,767,240)</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(17,954,926)</u>	<u>(6,079,414)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	<u>(3,590,985)</u>	<u>(1,231,081)</u>
Effects of:		
Expenses not deductible for tax purposes	1,907,619	1,176,667
Losses carried back	-	73,910
Other timing differences leading to an increase in taxation	1,730	11,390
Deferred tax not recognised	1,479,643	(25,100)
Adjustments in respect of prior periods	<u>(1,187,635)</u>	<u>(1,773,026)</u>
Total tax charge for the year	<u><u>(1,389,628)</u></u>	<u><u>(1,767,240)</u></u>

Factors that may affect future tax charges

The Group has tax losses of approximately £18.4m (2015: £10.5m) available to carry forward.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

9. Intangible assets

Group

	Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2016	500,000	102,798	602,798
On acquisition of subsidiaries	-	30,750	30,750
At 31 December 2016	<u>500,000</u>	<u>133,548</u>	<u>633,548</u>
Amortisation			
At 1 January 2016	117,708	102,798	220,506
Charge for the year	25,000	-	25,000
Impairment charge	-	30,750	30,750
At 31 December 2016	<u>142,708</u>	<u>133,548</u>	<u>276,256</u>
Net book value			
At 31 December 2016	<u>357,292</u>	<u>-</u>	<u>357,292</u>
At 31 December 2015	<u>382,292</u>	<u>-</u>	<u>382,292</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

10. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2016	3,466,565	830,088	354,754	375,235	453,607	5,480,249
Additions	-	147,597	-	13,483	24,488	185,568
Acquisition of subsidiary	25,076	751,597	2,175	102,017	-	880,865
At 31 December 2016	<u>3,491,641</u>	<u>1,729,282</u>	<u>356,929</u>	<u>490,735</u>	<u>478,095</u>	<u>6,546,682</u>
Depreciation						
At 1 January 2016	1,344,527	386,576	253,355	166,864	299,202	2,450,524
Charge for the period	154,980	164,496	30,675	45,512	25,192	420,855
At 31 December 2016	<u>1,499,507</u>	<u>551,072</u>	<u>284,030</u>	<u>212,376</u>	<u>324,394</u>	<u>2,871,379</u>
Net book value						
At 31 December 2016	<u>1,992,134</u>	<u>1,178,210</u>	<u>72,899</u>	<u>278,359</u>	<u>153,701</u>	<u>3,675,303</u>
At 31 December 2015	<u>2,122,038</u>	<u>443,512</u>	<u>101,399</u>	<u>208,371</u>	<u>154,405</u>	<u>3,029,725</u>

The net book value of tangible fixed assets includes an amount of £75,313 (2015: £42,127) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £29,814 (2015: £21,063).

Included within land and buildings is £700,000 (2015: £700,000) of land, which is not depreciated.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

11. Fixed asset investments

Group

	Unlisted investments £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2016	17,500,000	1,545,501	19,045,501
Share of loss	-	(149,960)	(149,960)
Transfer to investment in subsidiary	-	(1,395,541)	(1,395,541)
At 31 December 2016	17,500,000	-	17,500,000
Amortisation			
At 1 January 2016	-	173,467	173,467
Charge for the period	-	27,000	27,000
Transfer to investment in subsidiary	-	(200,467)	(200,467)
At 31 December 2016	-	-	-
Net book value			
At 31 December 2016	17,500,000	-	17,500,000
At 31 December 2015	17,500,000	1,372,034	18,872,034

Goodwill included in the carrying value of the investments in associates amounts to £Nil at 31 December 2016 (2015: £1,127,533).

The unlisted investment relates to a shareholding in a related party company. The company is related by being under common control.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

11. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2016	208	1,809,000	1,809,208
Additions	360	-	360
Transfer to investment in subsidiary	1,809,000	(1,809,000)	-
At 31 December 2016	<u>1,809,568</u>	<u>-</u>	<u>1,809,568</u>
Impairment			
Charge for the period	1,809,360	-	1,809,360
At 31 December 2016	<u>1,809,360</u>	<u>-</u>	<u>1,809,360</u>
Net book value			
At 31 December 2016	<u>208</u>	<u>-</u>	<u>208</u>
At 31 December 2015	<u>208</u>	<u>1,809,000</u>	<u>1,809,208</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

12. Subsidiary undertakings and associates

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Frazer-Nash Research Limited (1)	Ordinary	100 %	Research and development of electric drive trains
Frazer-Nash International Limited (2)	Ordinary	100 %	Development and sale of electronic products
Frazer-Nash Energy Systems Limited (2)	Ordinary	100 %	Design and development of battery and solar energy systems
Kamkorp Autokraft Limited (2)	Ordinary	100 %	Seeking investments and businesses in the automotive sector
Kamkorp Investments Limited (2)	Ordinary	100 %	Property management
Electrosource International Limited (2)	Ordinary	100 %	Not traded in year
URT Group Limited* (2)	Ordinary	60 %	Development of composites for manufacturing

* URT Group Limited was an associate and transferred to being a subsidiary undertaking when a further 30% stake was purchased in the year by Kamkorp Limited, increasing the equity shareholding to 60%.

The registered offices of the subsidiary undertaking is as follows:

1 - 81 Station Road, Marlow, Buckinghamshire, SL7 1NS.

2 - Mytchett Place, Mytchett Place Road, Mytchett, Surrey, GU16 6DQ.

13. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	1,402,017	1,287,152	-	-
Work in progress	196,453	-	-	-
	<u>1,598,470</u>	<u>1,287,152</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

14. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	1,679,388	-	-	-
Amounts owed by group undertakings	-	-	-	790,689
Amounts owed by related parties	-	798,319	-	798,319
Other debtors	1,505,431	272,521	372,066	-
Prepayments and accrued income	215,389	538,184	-	-
	<u>3,400,208</u>	<u>1,609,024</u>	<u>372,066</u>	<u>1,589,008</u>

15. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	128,971	22,749	73,789	4,383
Less: bank overdrafts	(3,854)	(25,754)	-	-
	<u>125,117</u>	<u>(3,005)</u>	<u>73,789</u>	<u>4,383</u>

16. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	3,854	25,754	-	-
Bank loans	5,556,223	-	-	-
Trade creditors	2,725,284	2,891,993	6,327	14,656
Amounts owed to group undertakings	-	-	12,086,064	3,284,048
Amounts owed to related parties	6,596,282	5,878,511	6,596,282	5,878,511
Corporation tax	258	861,778	-	-
Other taxation and social security	594,978	571,069	45,983	32,565
Obligations under finance lease and hire purchase contracts	33,333	10,000	-	-
Other creditors	30,796,387	25,389,116	29,844,902	25,088,826
Accruals and deferred income	23,471,876	23,057,836	30,000	30,000
	<u>69,778,475</u>	<u>58,686,057</u>	<u>48,609,558</u>	<u>34,328,606</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	6,817,392	-	-	-
Net obligations under finance leases and hire purchase contracts	49,822	20,933	-	-
Other creditors	28,214	-	-	-
	<u>6,895,428</u>	<u>20,933</u>	<u>-</u>	<u>-</u>

18. Loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	5,556,223	-	-	-
Amounts falling due 1-2 years				
Bank loans	6,817,392	-	-	-
	<u>12,373,615</u>	<u>-</u>	<u>-</u>	<u>-</u>

The loans are secured over the Group's property and by personal guarantee and security provided by the Director. They bear interest of between 8.2% and 12% per annum.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	33,333	10,000
Between 1-2 years	33,333	10,000
Between 2-5 years	16,489	10,933
	<u>83,155</u>	<u>30,933</u>

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

20. Financial instruments

	Group 2016 £	Group 2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,313,790	1,093,589
	<u>3,313,790</u>	<u>1,093,589</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(53,151,548)	(35,779,871)
	<u>(53,151,548)</u>	<u>(35,779,871)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, accrued income and cash.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, amounts owed to related parties, trade creditors, other creditors, accruals, net obligations under finance leases and hire purchase contracts

21. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	(91,212)	(85,426)
Charged to profit or loss	90,489	(5,786)
At end of year	<u>(723)</u>	<u>(91,212)</u>
	Group 2016 £	Group 2015 £
Accelerated capital allowances	(723)	(91,212)
	<u>(723)</u>	<u>(91,212)</u>

There is an unprovided deferred tax asset of approximately £3.1m (2015: £1.9m) for the Group, for tax losses carried forward and for the Company of approximately £1.8m (2015: £1.9m).

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

22. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

23. Reserves

The group's and company's reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

24. Business combinations

On 10 March 2016, Kamkorp acquired further 360 shares at par giving a 60% controlling interest in URT Group Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Estimated Book Value £
Fixed assets	
Tangible	880,865
Goodwill	30,750
	<u>911,615</u>
Current assets	
Stocks	379,417
Debtors	1,846,427
Cash at bank and in hand	64,701
	<u>3,202,160</u>
Total assets	
Creditors	
Due within one year	(2,830,305)
Hire purchase	(6,501)
	<u>365,354</u>
Fair value of net assets	
Net assets acquired due to non-controlling interest	(146,142)
Associate carrying value	(1,195,074)
Goodwill	(976,222)
	<u>360</u>
Total purchase consideration	

The goodwill arising on acquisition of business combinations has been impaired in full.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

24. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	360
	<u>360</u>
Less: Cash and cash equivalents acquired	(64,701)
Net cash inflow on acquisition	<u>(64,341)</u>

The results of URT Group Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	5,031,666
	<u>5,031,666</u>
Loss for the year	(197,942)
	<u>(197,942)</u>

25. Contingent liabilities

A subsidiary company is in discussion with a major customer on the obligations it has regarding the termination of a significant contract. The outcome of the discussions could also impact on costs to complete the obligations arising under the contract which could result in additional liabilities that should be recognised in these financial statements which could also impact the tax charge and liabilities.

26. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £28,753 (2015: £25,867).

27. Operating lease commitments

The Group had aggregate operating lease commitments of approximately £1,629,000. A maturity analysis of this commitment is unavailable.

Kamkorp Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

28. Related party transactions

Advantage has been taken of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned subsidiaries within the group.

The Group made sales of £4,106,906 (2015: £4,094,500) to companies under common control.

Amounts due to/from companies under common control were £6,596,282 and £372,066 (2015: £5,878,511 and £798,319) respectively.

Amounts provided against loans due from companies under common control in the year are disclosed in Note 5.

Loans due to the director amounted to £29,832,902 (2015: £25,088,826).

29. Controlling party

The company's ultimate controlling party is K Siddiqi who is the director of both the company and the group.