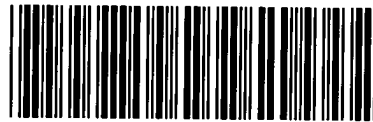


KLT CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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KLT CONSTRUCTION LIMITED
REGISTERED NUMBER:03329074

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	456,286	138,341
		<u>456,286</u>	<u>138,341</u>
Current assets			
Debtors: amounts falling due within one year	5	7,054,716	4,684,767
Cash at bank and in hand	6	361	-
		<u>7,055,077</u>	<u>4,684,767</u>
Creditors: amounts falling due within one year	7	(6,522,384)	(3,844,878)
Net current assets		<u>532,693</u>	<u>839,889</u>
Total assets less current liabilities		<u>988,979</u>	<u>978,230</u>
Creditors: amounts falling due after more than one year	8	(54,136)	(22,939)
Net assets		<u><u>934,843</u></u>	<u><u>955,291</u></u>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account		924,843	945,291
		<u><u>934,843</u></u>	<u><u>955,291</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



Mr R Taylor
Director

Date: 23/04/2018

The notes on pages 3 to 12 form part of these financial statements.

KLT CONSTRUCTION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	10,000	945,291	955,291
Comprehensive income for the year			
Loss for the year	-	(20,448)	(20,448)
Total comprehensive income for the year	-	(20,448)	(20,448)
At 31 March 2018	10,000	924,843	934,843

The notes on pages 3 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	100	772,074	772,174
Comprehensive income for the year			
Profit for the year	-	173,217	173,217
Total comprehensive income for the year	-	173,217	173,217
Shares issued during the year	9,900	-	9,900
At 31 March 2017	10,000	945,291	955,291

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. General information

The entity is a private company, limited by shares, incorporated in England and Wales in the UK. The registered office is New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ. The nature of the company's operations is excavation of land and pipe laying.

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 management to exercise judgment in applying the company's accounting policies.

The financial statements are prepared in pounds sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of KLT Holdings Limited as at 31 March 2018 and these financial statements may be obtained from the registered office of the holding company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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:

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 company 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.

2.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	20% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 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.

2.7 Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the 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 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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. 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.

2.10 Finance costs

Finance costs are charged to the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.11 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of 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 company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

KLT CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the 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 operates and generates income.

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

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

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

3. Employees

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

	2018 No.	2017 No.
Operative staff	15	20
Administrative staff	12	13
	<u>27</u>	<u>33</u>

KLT CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2017	1,183,084	300,611	241,831	1,725,526
Additions	269,473	-	128,101	397,574
Disposals	(1,066,212)	-	-	(1,066,212)
At 31 March 2018	386,345	300,611	369,932	1,056,888
Depreciation				
At 1 April 2017	1,117,149	279,575	190,461	1,587,185
Charge for the year on owned assets	27,348	7,794	23,035	58,177
Charge for the year on financed assets	21,452	-	-	21,452
Disposals	(1,066,212)	-	-	(1,066,212)
At 31 March 2018	99,737	287,369	213,496	600,602
Net book value				
At 31 March 2018	286,608	13,242	156,436	456,286
At 31 March 2017	65,935	21,036	51,370	138,341

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	86,308	48,199
	<u>86,308</u>	<u>48,199</u>

KLT CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Debtors

	2018 £	2017 £
Trade debtors	208,041	30,097
Amounts owed by group undertakings	1,539,430	278,452
Other debtors	2,005,308	1,967,057
Prepayments and accrued income	3,301,937	2,409,161
	<u>7,054,716</u>	<u>4,684,767</u>

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	361	-
Less: bank overdrafts	(875,868)	(594,163)
	<u>(875,507)</u>	<u>(594,163)</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	875,868	594,163
Trade creditors	2,317,737	1,380,000
Amounts owed to group undertakings	420,147	-
Corporation tax	68,881	90,777
Other taxation and social security	176,296	205,408
Obligations under finance lease and hire purchase contracts	23,572	14,809
Other creditors	681,899	482,089
Accruals and deferred income	1,957,984	1,077,632
	<u>6,522,384</u>	<u>3,844,878</u>

Bank overdrafts of £875,868 (2017 - £594,163) are secured on the assets of the company. Net obligations under finance leases and hire purchase contracts of £23,572 (2017 - £14,809) are secured on the assets to which they relate.

HSBC Bank PLC has a debenture created 14 October 2014 secured on all of the present and future assets of the company.

KLT CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	44,046	13,209
Other creditors	10,090	9,730
	<u>54,136</u>	<u>22,939</u>

Net obligations under finance leases and hire purchase contracts of £44,046 (2017 - £13,209) are secured on the assets of the company.

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	29,248	16,078
Between 1-5 years	51,700	14,478
	<u>80,948</u>	<u>30,556</u>

At the balance sheet date the total hire purchase and finance lease creditor was £67,618 (2017 - £28,018). The difference of £13,330 (2017 - £2,538) between the creditor and the balance above is the future interest payable.

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

11. Pension commitments

The company 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 cost charge represents contributions payable by the company to the fund and amounted to £13,416 (2017 - £12,363).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Transactions with directors

During the year the company made advances totaling £1,157,891 (2017 - £1,713,646) to Mr R Taylor, the director, and received credits of £1,152,124 (2017 - £1,238,462). Interest of £31,624 has been charged at commercial rates on overdrawn balances. As at 31 March 2018, Mr R Taylor owed the company £1,070,702 (2017 - £1,033,311). The loan is unsecured and repayable on demand.

13. Related party transactions

During the year, KLT Partners LLP, a limited liability partnership of which the director, Mr R Taylor, is a member, provided services of £1,914,536 (2017 - £1,430,405) to the company and received services of £121,324 (2017 - £95,638). At the balance sheet date, an amount of £259,921 (2017 - £64,020) was due from KLT Partners LLP and is included in other debtors. All transactions were on commercial terms.

The company has taken advantage of the provisions of Financial Reporting Standard 102 Section 33 not to disclose transactions with other group companies as KLT Construction Limited is included in the consolidated financial statements of KLT Holdings Limited, a company incorporated in England and Wales. Copies of these accounts are available from the Registrar of Companies at Companies House, Cardiff, CF14 3UZ.

14. Parent company

The company's ultimate parent company is KLT Holdings Limited, incorporated in England and Wales. The registered office of KLT Holdings Limited is New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ.

15. Controlling party

The company was under the control of the director, Mr R Taylor throughout the current and prior year, as a result of his control of the parent company, KLT Holdings Limited.

The largest and smallest groups in which the results of the company are consolidated are those headed by KLT Holdings Limited.

16. Auditors' information

The auditors report on these financial statements was unqualified. The name of the auditor is MHA MacIntyre Hudson and the senior statutory auditor who signed the audit report is Brendan Sharkey FCA.