

**KBS Corporate Sales Limited**  
**Unaudited Financial Statements**  
**For the Year Ended**  
**31 May 2018**

**BEEVER AND STRUTHERS**

Chartered accountant  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

WEDNESDAY



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# **KBS Corporate Sales Limited**

## **Financial Statements**

**Year Ended 31 May 2018**

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# **KBS Corporate Sales Limited**

## **Officers and Professional Advisers**

### **The Board of Directors**

Mr J S Rigby  
Mr C Clancy  
Mr A Melbourne  
Mr S Daniels  
Mr A J Ford

### **Registered Office**

KBS House  
5 Springfield Court  
Summerfield Road  
Bolton  
England  
BL3 2NT

### **Accountants**

Beever and Struthers  
Chartered accountant  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

# **KBS Corporate Sales Limited**

## **Strategic Report**

**Year Ended 31 May 2018**

### **Business Review**

The directors are pleased to present an excellent set of results for the year under review. The financial Year ended 31st May 2018 has been one of continued financial and strategic improvement for KBS Corporate Sales Limited with record profits of £2.3m posted for the year.

As a board we continue to place focus on our strategic direction and continue to drive excellence in all areas of our business.

This excellent trend of financial and business performance has continued into our current financial year as the company maintains its focus on being the UK's Leading Business Sales Specialist. The directors recognise that the company's success is reliant on high levels of service and advice being delivered to its client base, and operates a pro-active strategy of monitoring the systems, advice and service levels provided by its consultants.

### **Financial Risk, Management Objectives and Policies**

The main risks arising from the company's activities relate to market risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these are summarised below:

#### **Market risk**

The company, like any other business, is exposed to a risk of a downturn in business.

The directors remain pro-active in addressing this risk and monitor performance on a daily basis. They consider that their in-depth involvement in the day to day running of the business is a key factor in mitigating any such risk.

#### **Liquidity risk**

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profit and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by fixing the interest rates in advance.

#### **Credit risk**

The company's principle financial assets are cash and trade debtors. The principle credit risk arises from its trade debtors. These are paid up to 45 days after the original sale and are carefully monitored by the directors.

### **Future Developments**

The directors envisage future growth from all areas of the business now that office restrictions have been removed and the purpose built new office has allowed the bringing together of the main business with the Corporate Finance team allowing greater sharing of knowledge.

Staff numbers have continued to grow moving into 2018, that will see KBS Corporate Sales Limited grow its market share and further establish itself.

# **KBS Corporate Sales Limited**

## **Strategic Report** *(continued)*

**Year Ended 31 May 2018**

This report was approved by the board of directors on 10 September 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'Mr A Melbourne', written in a cursive style.

Mr A Melbourne  
Director

# **KBS Corporate Sales Limited**

## **Directors' Report**

### **Year Ended 31 May 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 31 May 2018.

#### **Directors**

The directors who served the company during the year were as follows:

Mr J S Rigby  
Mr C Clancy  
Mr A Melbourne  
Mr S Daniels  
Mr A J Ford

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

#### **Future Developments**

The company remains committed to continually improving levels of service to our clients, through a combination of investment in buyer intelligence, reduction in client numbers and an increase in quality staff resource, training and development.

#### **Disclosure of Information in the Strategic Report**

The company has chosen to disclose information regarding the future development opportunities for the company and financial instrument risk management policies in the strategic report rather than in the directors report.

This report was approved by the board of directors on 10 September 2018 and signed on behalf of the board by:



Mr A Melbourne  
Director

# **KBS Corporate Sales Limited**

## **Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of KBS Corporate Sales Limited**

**Year Ended 31 May 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of KBS Corporate Sales Limited for the year ended 31 May 2018, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/en/membership/regulations-standards-and-guidance](http://www.icaew.com/en/membership/regulations-standards-and-guidance).

This report is made solely to the Board of Directors of KBS Corporate Sales Limited, as a body, in accordance with the terms of our engagement letter dated 21 August 2015. Our work has been undertaken solely to prepare for your approval the financial statements of KBS Corporate Sales Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at [www.icaew.com/compilation](http://www.icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than KBS Corporate Sales Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that KBS Corporate Sales Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of KBS Corporate Sales Limited. You consider that KBS Corporate Sales Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of KBS Corporate Sales Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**BEEVER AND STRUTHERS**  
Chartered accountant

St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

10 September 2018

**KBS Corporate Sales Limited**  
**Statement of Comprehensive Income**  
**Year Ended 31 May 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	<b>8,319,485</b>	5,816,926
<b>Gross profit</b>		<u>8,319,485</u>	<u>5,816,926</u>
Distribution costs		723,768	576,027
Administrative expenses		<u>4,212,873</u>	<u>3,694,580</u>
<b>Operating profit</b>	<b>5</b>	<b>3,382,844</b>	1,546,319
Other interest receivable and similar income	<b>8</b>	<b>3,936</b>	—
Interest payable and similar expenses	<b>9</b>	<u>5,164</u>	<u>22,756</u>
<b>Profit before taxation</b>		<b>3,381,616</b>	1,523,563
Tax on profit	<b>10</b>	<u>558,561</u>	<u>286,725</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><b>2,823,055</b></u>	<u><b>1,236,838</b></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.



# KBS Corporate Sales Limited

## Statement of Financial Position

31 May 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	57,343	51,414
Tangible assets	13	101,831	145,557
		<u>159,174</u>	<u>196,971</u>
<b>Current assets</b>			
Debtors	14	405,939	335,520
Cash at bank and in hand		6,609,243	3,138,884
		<u>7,015,182</u>	<u>3,474,404</u>
<b>Creditors: amounts falling due within one year</b>	15	4,603,595	2,563,657
<b>Net current assets</b>		<u>2,411,587</u>	<u>910,747</u>
<b>Total assets less current liabilities</b>		<u>2,570,761</u>	<u>1,107,718</u>
<b>Provisions</b>			
Taxation including deferred tax	16	21,510	31,522
<b>Net assets</b>		<u>2,549,251</u>	<u>1,076,196</u>
<b>Capital and reserves</b>			
Called up share capital	19	50,000	50,000
Profit and loss account	20	2,499,251	1,026,196
<b>Shareholder funds</b>		<u>2,549,251</u>	<u>1,076,196</u>

For the year ending 31 May 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

The notes on pages 10 to 19 form part of these financial statements.

**KBS Corporate Sales Limited**  
**Statement of Financial Position** *(continued)*

**31 May 2018**

These financial statements were approved by the board of directors and authorised for issue on 10 September 2018, and are signed on behalf of the board by:

A handwritten signature in black ink, consisting of a large, stylized loop followed by a long, wavy horizontal line.

Mr A Melbourne  
Director

Company registration number: 04141555

**The notes on pages 10 to 19 form part of these financial statements.**

# KBS Corporate Sales Limited

## Statement of Changes in Equity

Year Ended 31 May 2018

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 June 2016</b>		50,000	789,358	839,358
Profit for the year			1,236,838	1,236,838
<b>Total comprehensive income for the year</b>		—	1,236,838	1,236,838
Dividends paid and payable	<b>11</b>	—	(1,000,000)	(1,000,000)
<b>Total investments by and distributions to owners</b>		—	(1,000,000)	(1,000,000)
<b>At 31 May 2017</b>		50,000	1,026,196	<b>1,076,196</b>
Profit for the year			2,823,055	<b>2,823,055</b>
<b>Total comprehensive income for the year</b>		—	2,823,055	<b>2,823,055</b>
Dividends paid and payable	<b>11</b>	—	(1,350,000)	<b>(1,350,000)</b>
<b>Total investments by and distributions to owners</b>		—	(1,350,000)	<b>(1,350,000)</b>
<b>At 31 May 2018</b>		<u>50,000</u>	<u>2,499,251</u>	<u><b>2,549,251</b></u>

The notes on pages 10 to 19 form part of these financial statements.

# **KBS Corporate Sales Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2018**

### **1. General Information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is KBS House, 5 Springfield Court, Summerfield Road, Bolton, BL3 2NT, England.

The principal activity of the company is that of a business broker.

### **2. Statement of Compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going Concern**

The company financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

#### **Disclosure Exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of K3 Capital Group PLC which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Significant judgements*

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not fully recoverable.

**KBS Corporate Sales Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended 31 May 2018**

**3. Accounting Policies** *(continued)*

**Judgements and Key Sources of Estimation Uncertainty** *(continued)*

*Key sources of estimation uncertainty*

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Revenue from rendering of services comprises contracted commissions and fees due on deals completed at year end. The company accounts for sales with reference to amounts invoiced during the year.
- Recoverability of debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable.

**Revenue Recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income Tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Intangible Assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

# KBS Corporate Sales Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 May 2018

#### 3. Accounting Policies *(continued)*

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website costs - 33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements - 33% straight line

Fixtures and fittings - 33% straight line

Equipment - 33% straight line

##### Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

**KBS Corporate Sales Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended 31 May 2018**

**3. Accounting Policies** *(continued)*

**Provisions** *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Financial Instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined Contribution Plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**4. Turnover**

Turnover arises from:

	<b>2018</b>	2017
	<b>£</b>	£
Rendering of services	<b><u>8,319,485</u></b>	<u>5,816,926</u>

# KBS Corporate Sales Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 May 2018

#### 4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. Operating Profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Amortisation of intangible assets	5,148	9,315
Depreciation of tangible assets	69,128	46,391
Gains on disposal of tangible assets	—	(171)
Operating lease rentals	3,649	8,832

#### 6. Staff Costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Administrative staff	32	30
Management staff	2	3
Sales staff	37	27
	<u>71</u>	<u>60</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	2,987,052	2,360,952
Social security costs	293,826	290,970
Other pension costs	14,929	13,720
	<u>3,295,807</u>	<u>2,665,642</u>

#### 7. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	344,523	286,770
Company contributions to defined contribution pension plans	1,084	372
	<u>345,607</u>	<u>287,142</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>



**KBS Corporate Sales Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended 31 May 2018**

**7. Directors' Remuneration** *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration	<u>209,858</u>	<u>166,858</u>

**8. Other Interest Receivable and Similar Income**

	2018 £	2017 £
Interest on cash and cash equivalents	<u>3,936</u>	<u>—</u>

**9. Interest Payable and Similar Expenses**

	2018 £	2017 £
Interest on debenture loans	224	—
Interest on banks loans and overdrafts	4,940	22,756
	<u>5,164</u>	<u>22,756</u>

**10. Tax on Profit**

Major components of tax expense

	2018 £	2017 £
<b>Current tax:</b>		
UK current tax expense	575,459	259,037
Adjustments in respect of prior periods	(6,886)	—
Total current tax	<u>568,573</u>	<u>259,037</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(8,690)	27,879
Impact of change in tax rate	(1,322)	(191)
Total deferred tax	<u>(10,012)</u>	<u>27,688</u>
<b>Tax on profit</b>	<u>558,561</u>	<u>286,725</u>

# KBS Corporate Sales Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 May 2018

#### 10. Tax on Profit *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>3,381,616</u>	<u>1,523,563</u>
Profit on ordinary activities by rate of tax	642,507	289,477
Adjustment to tax charge in respect of prior periods	(6,832)	–
Effect of expenses not deductible for tax purposes	6,368	3,341
Effect of different UK tax rates on some earnings	(1,322)	10,687
Effect of research and development relief	(28,602)	(16,780)
Utilisation of group relief	(53,558)	–
Tax on profit	<u>558,561</u>	<u>286,725</u>

#### 11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Equity dividends on ordinary shares	<u>1,350,000</u>	<u>1,000,000</u>

#### 12. Intangible Assets

	Website costs £
<b>Cost</b>	
At 1 June 2017	110,389
Additions	11,077
<b>At 31 May 2018</b>	<u>121,466</u>
<b>Amortisation</b>	
At 1 June 2017	58,975
Charge for the year	5,148
<b>At 31 May 2018</b>	<u>64,123</u>
<b>Carrying amount</b>	
<b>At 31 May 2018</b>	<u>57,343</u>
At 31 May 2017	<u>51,414</u>

# KBS Corporate Sales Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 May 2018

#### 13. Tangible Assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 June 2017	11,894	97,777	97,572	207,243
Additions	22,263	—	3,139	25,402
<b>At 31 May 2018</b>	<u>34,157</u>	<u>97,777</u>	<u>100,711</u>	<u>232,645</u>
<b>Depreciation</b>				
At 1 June 2017	2,643	20,354	38,689	61,686
Charge for the year	8,912	32,346	27,870	69,128
<b>At 31 May 2018</b>	<u>11,555</u>	<u>52,700</u>	<u>66,559</u>	<u>130,814</u>
<b>Carrying amount</b>				
<b>At 31 May 2018</b>	<u>22,602</u>	<u>45,077</u>	<u>34,152</u>	<u>101,831</u>
At 31 May 2017	<u>9,251</u>	<u>77,423</u>	<u>58,883</u>	<u>145,557</u>

#### 14. Debtors

	2018 £	2017 £
Trade debtors	180,685	99,800
Prepayments and accrued income	224,807	235,273
Other debtors	447	447
	<u>405,939</u>	<u>335,520</u>

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

	2018 £	2017 £
Payments received on account	42,300	—
Trade creditors	107,498	121,843
Amounts owed to group undertakings	2,231,426	846,648
Accruals and deferred income	1,315,733	1,085,909
Corporation tax	313,922	97,538
Social security and other taxes	587,592	409,002
Other creditors	5,124	2,717
	<u>4,603,595</u>	<u>2,563,657</u>

#### 16. Provisions

	Deferred tax (note 17) £
At 1 June 2017	31,522
Additions	(10,012)
<b>At 31 May 2018</b>	<u>21,510</u>

**KBS Corporate Sales Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended 31 May 2018**

**17. Deferred Tax**

The deferred tax included in the statement of financial position is as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Included in provisions (note 16)	<b><u>21,510</u></b>	<u>31,522</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2018</b>	2017
	<b>£</b>	£
Accelerated capital allowances	<b><u>21,510</u></b>	<u>31,522</u>

**18. Employee Benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £14,929 (2017: £13,720).

**19. Called Up Share Capital**

**Issued, called up and fully paid**

	<b>2018</b>		2017
	<b>No.</b>	<b>£</b>	No.
	<b><u>50,000</u></b>	<b><u>50,000</u></b>	<u>50,000</u>
Ordinary shares of £1 each			<u>50,000</u>

**20. Reserves**

Profit and loss account - This reserve records retained earnings and accumulated losses.

**21. Operating Leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Not later than 1 year	<b>194,260</b>	100,171
Later than 1 year and not later than 5 years	<b><u>345,656</u></b>	<u>78,612</u>
	<b><u>539,916</u></b>	<u>178,783</u>

**22. Contingencies**

The group, including KBS Corporate Sales Limited, has entered into a debenture dated 22 May 2014 for securing all monies due from the parent company, K3 Capital Group PLC, in respect of the bank loan facility. This represents a fixed and floating charge over the group's assets. The balance outstanding at 31 May 2018 was £Nil (2017: £431,339).

All security provided by the group was satisfied on 12 January 2018.

# **KBS Corporate Sales Limited**

## **Notes to the Financial Statements *(continued)***

### **Year Ended 31 May 2018**

#### **23. Related Party Transactions**

The directors, are members of K3 Estates LLP. During the year the company paid rent and expenses amounting to £92,670 (2017 - £19,444) to K3 Estates LLP. No amounts were outstanding at the year end.

During the year the company was charged costs totalling £Nil (2017: £29,697) from Triskell LLP (of which Anthony Ford is a designated member. No amounts were outstanding at year end.

During the year Anthony Ford, invoiced the company for his services. The amount charged to the company amounted to £Nil (2017: £57,838). No amounts were outstanding at the year end.

The company has taken advantage of the exemption available under Paragraph 33.1a of FRS102 and as such has not disclosed transactions with other members of the same group.

#### **24. Controlling Party**

The company a wholly owned subsidiary of K3 Capital Group PLC.

K3 Capital Group PLC is under no overall control.