

KANTO SYSTEMS LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

KANTO SYSTEMS LTD
REGISTERED NUMBER:08228842

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	-	2,091
Investments	6	151	51
		<u>151</u>	<u>2,142</u>
Current assets			
Debtors: amounts falling due within one year	7	277,256	230,575
Cash at bank and in hand	8	82,263	6,423
		<u>359,519</u>	<u>236,998</u>
Creditors: amounts falling due within one year	9	(1,534,406)	(1,127,929)
Net current liabilities		<u>(1,174,887)</u>	<u>(890,931)</u>
Total assets less current liabilities		<u>(1,174,736)</u>	<u>(888,789)</u>
Creditors: amounts falling due after more than one year	10	-	(60,000)
Net liabilities		<u><u>(1,174,736)</u></u>	<u><u>(948,789)</u></u>
Capital and reserves			
Called up share capital	11	125	125
Share premium account		24,975	24,975
Profit and loss account		(1,199,836)	(973,889)
		<u><u>(1,174,736)</u></u>	<u><u>(948,789)</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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:

T J R Borwick
Director

Date: 25 June 2021

The notes on pages 3 to 8 form part of these financial statements.

KANTO SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

Kanto Systems Ltd is a private company limited by shares, incorporated and registered in England and Wales. The registered office is 77 Victoria Street, Office 120, London, England, SW1H 0HW.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year ended 30 September 2020 the Company suffered a loss before tax of £225,947 (2019: £370,691), giving rise to a balance sheet deficit of £1,174,736 (2019: £948,789) at the year end.

Within this is a balance of £1,529,802 (2019: £1,107,054) owed to the director shareholder who has agreed to continue to provide such financial support as is required whilst the Company strengthens its own financial position. The Company results are consistent with the director's expectations.

In light of the above and after taking into account all information that could reasonably be expected to be available, the director is confident that the Company will continue in operational existence for the foreseeable future and that the going concern is therefore appropriate for the preparation of the Company's accounts.

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.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Grants received in the current year relate to both research and development tax credits and the Coronavirus Job Retention Scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.5 Interest income

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

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution 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 profit or loss 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.

2.7 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Computer equipment	- 3 years
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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 profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.10 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.

2.11 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 ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2019 - 7).

4. Tax credit

The Company has made a loss in the year and is not subject to a corporation tax charge. Of the 2020 Other operating income figure, £54,364 (2019: £68,315) is an estimated research and development tax credit refund based on current understanding of the likely tax credit expected to be approved and received.

KANTO SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. Tangible fixed assets

	Computer equipment £
At 1 October 2019	10,009
Disposals	(10,009)
At 30 September 2020	-
At 1 October 2019	7,918
Charge for the year on owned assets	2,091
Disposals	(10,009)
At 30 September 2020	-
Net book value	
At 30 September 2020	-
At 30 September 2019	2,091

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2019	51
Additions	100
At 30 September 2020	151

KANTO SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. Debtors

	2020 £	2019 £
Trade debtors	-	8,503
Amounts owed by group undertakings	117,452	77,552
Other debtors	55,586	143,360
Prepayments and accrued income	104,218	1,160
	<u>277,256</u>	<u>230,575</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>82,263</u>	<u>6,423</u>

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	961	14,511
Other taxation and social security	-	2,686
Other creditors	1,531,445	1,108,732
Accruals and deferred income	2,000	2,000
	<u>1,534,406</u>	<u>1,127,929</u>

10. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>-</u>	<u>60,000</u>

KANTO SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
125 (2019 - 125) Ordinary shares of £1.00 each	<u>125</u>	<u>125</u>

12. Pension commitments

The Company operates a defined contributions 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 £27,629 (2019: £27,691). Contributions totalling £1,643 (2019: £1,677) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

Material transactions and balances with related parties arising during the period were as follows:

	2020 £	2019 £
Balances with related parties		
Amounts owed by College Green Group Ltd - included within debtors	49,900	-
Amounts owed by Kanto Elect Limited - included within debtors	67,552	77,552
Amounts owed to Second Poore Limited - included within other loans	<u>-</u>	<u>60,000</u>

Nature of relationship and control

College Green Group Ltd, a company in which T Borwick is a director, is fully owned by Kanto Systems Ltd.

Kanto Elect Limited, a company in which T Borwick is a director, is owned by Kanto Systems Ltd (70%) and T Borwick (30%).

Second Poore Limited, a company in which T Borwick is a director, owns 20% of the Company's share capital.

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