

**KL TECHNOLOGIES HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 NOVEMBER 2021**

# **KL TECHNOLOGIES HOLDINGS LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	M Littlewood M Hamilton
<b>Registered number</b>	11055387
<b>Registered office</b>	Estuary Road King's Lynn Norfolk PE30 2HS
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

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# **KL TECHNOLOGIES HOLDINGS LIMITED**

## **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2021**

### **Business review**

The principle activity of the group is the holding of freehold investment property.

### **Financial key performance indicators**

Group turnover was £462k while operating profit was £241k. The group balance sheet remains strong with net assets of £2.6m.

### **Principal risks and uncertainties**

The Group's principal risks and uncertainties are explained below.

### **Loss of rental income**

The group changes rent to industrial tenants and the loss of a tenant would risk a period with reduced income. To mitigate this risk the group commits to long term tenancy agreements.

### **COVID-19**

The Company is the parent Company of K L Technologies Limited. The directors of K L Technologies Limited are continually assessing the impact of COVID-19. They have not encountered any significant adverse impacts as a result of the pandemic and have continued to trade profitably and have prepared accounts on a going concern basis. Therefore, the directors of KL Technologies Holdings Limited deem it appropriate to prepare the accounts on a going concern basis.

### **Financial management objectives and policies**

The group finances its operations through retained profits. The management objectives are to maintain sufficient funds to enable the group to meet its day to day obligations.

The groups principle financial asset is its freehold property.

This report was approved by the board on 9 June 2022 and signed on its behalf.

**M Hamilton**

Director

# KL TECHNOLOGIES HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2021

The directors present their report and the financial statements for the period ended 30 November 2021.

### Directors' responsibilities statement

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 directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

### Results and dividends

The profit for the period, after taxation, amounted to £120,527 (2020 - loss £6,198,498).

No dividends were paid in the year.

### Directors

The directors who served during the period were:

M Littlewood  
M Hamilton

### Future developments

The Company expects to continue its trading activities with no significant changes to the outlook.

### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

**KL TECHNOLOGIES HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**Post balance sheet events**

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

**Auditors**

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 June 2022 and signed on its behalf.

**M Hamilton**

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KL TECHNOLOGIES HOLDINGS LIMITED

**Opinion**

We have audited the financial statements of KL Technologies Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the period ended 30 November 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 November 2021, and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KL TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies

regime and take advantage of the small companies' exemptions in preparing the directors' report and from

the requirement to prepare a strategic report.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KL TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained confirmation directly from the group's bank, of the accounts and balances held in their name as at the year-end and that all reported balances exist;
- We reviewed legal expenses to identify any instances of non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KL TECHNOLOGIES HOLDINGS LIMITED (CONTINUED)

**Use of our report**

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

10 June 2022

KL TECHNOLOGIES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	Note	Continuing operations Period ended 30 November 2021 £	Discontin'd operations Period ended 30 November 2021 £	Total Period ended 30 November 2021 £	Continuing operations Period ended 27 November 2020 £	Discontinued operations Period ended 27 November 2020 £	Total Period ended 27 November 2020 £
Turnover	4	462,047	-	462,047	507,446	13,662,044	14,169,490
Cost of sales		-	-	-	-	(9,189,379)	(9,189,379)
<b>Gross profit</b>		<u>462,047</u>	<u>-</u>	<u>462,047</u>	<u>507,446</u>	<u>4,472,665</u>	<u>4,980,111</u>
Administrative expenses		(220,904)	-	(220,904)	(398,401)	(1,734,841)	(2,133,242)
Fair value movements		-	-	-	485,171	-	485,171
<b>Operating profit</b>		<u>241,143</u>	<u>-</u>	<u>241,143</u>	<u>594,216</u>	<u>2,737,824</u>	<u>3,332,040</u>
Loss on disposal of investments		-	-	-	-	(8,941,744)	(8,941,744)
Interest payable and similar expenses		-	-	-	(28,924)	-	(28,924)
<b>Profit/(loss) before taxation</b>		<u>241,143</u>	<u>-</u>	<u>241,143</u>	<u>565,292</u>	<u>(6,203,920)</u>	<u>(5,638,628)</u>
Tax on profit/(loss)	8	(120,616)	-	(120,616)	(54,122)	(505,748)	(559,870)
<b>Profit/(loss) for the financial period</b>		<u>120,527</u>	<u>-</u>	<u>120,527</u>	<u>511,170</u>	<u>(6,709,668)</u>	<u>(6,198,498)</u>
Foreign exchange translation movement				-			17,072
<b>Other comprehensive income for the period</b>				<u>-</u>			<u>17,072</u>
<b>Total comprehensive income for the period</b>				<u>120,527</u>			<u>(6,181,426)</u>

The notes on pages 15 to 33 form part of these financial statements.

**KL TECHNOLOGIES HOLDINGS LIMITED**  
**REGISTERED NUMBER: 11055387**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 NOVEMBER 2021**

	Note	30 November 2021 £	27 November 2020 £
<b>Fixed assets</b>			
Tangible assets	10	2,908	12,930
Investment property	12	2,988,092	2,988,092
		<u>2,991,000</u>	<u>3,001,022</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	177,695	-
Debtors: amounts falling due within one year	13	63,897	150
Cash at bank and in hand		79,764	37,914
		<u>321,356</u>	<u>38,064</u>
Creditors: amounts falling due within one year	14	(476,481)	(392,752)
<b>Net current liabilities</b>		<u>(155,125)</u>	<u>(354,688)</u>
<b>Total assets less current liabilities</b>		<u>2,835,875</u>	<u>2,646,334</u>
<b>Provisions for liabilities</b>			
Deferred taxation	16	(284,777)	(215,763)
<b>Net assets</b>		<u><u>2,551,098</u></u>	<u><u>2,430,571</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	106	106
Capital redemption reserve	18	30	30
Other reserves	18	208,019	208,019
Profit and loss account	18	2,342,943	2,222,416
<b>Equity attributable to owners of the parent Company</b>		<u><u>2,551,098</u></u>	<u><u>2,430,571</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2022.

**M Hamilton**  
Director

The notes on pages 15 to 33 form part of these financial statements.

**KL TECHNOLOGIES HOLDINGS LIMITED**  
**REGISTERED NUMBER: 11055387**

**COMPANY BALANCE SHEET**  
**AS AT 30 NOVEMBER 2021**

		30 November 2021 £	27 November 2020 £
	Note		
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	236,982	236,982
<b>Net assets</b>		<u>236,982</u>	<u>236,982</u>
<b>Capital and reserves</b>			
Called up share capital	17	106	106
Capital redemption reserve	18	30	30
Profit and loss account brought forward		236,846	5,625,521
Profit/(loss) for the period		-	(5,328,675)
Other changes in the profit and loss account		-	(60,000)
Profit and loss account carried forward		<u>236,846</u>	<u>236,846</u>
		<u>236,982</u>	<u>236,982</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2022.

**M Hamilton**

Director

The notes on pages 15 to 33 form part of these financial statements.

KL TECHNOLOGIES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	Called up share capital £ 106	Capital redemption reserve £ 30	Foreign exchange reserve £ 32,010	Other reserves £ 208,019	Profit and loss account £ 8,431,832	Total equity £ 8,671,997
<b>At 1 November 2019</b>						
<b>Comprehensive loss for the period</b>	-	-	-	-	(6,198,498)	(6,198,498)
Loss for the period	-	-	-	-	(6,198,498)	(6,198,498)
Difference on translation	-	-	17,072	-	-	17,072
<b>Total comprehensive loss for the period</b>	-	-	17,072	-	(6,198,498)	(6,181,426)
Dividends: Equity capital	-	-	-	-	(60,000)	(60,000)
Reclassification of foreign exchange reserve on disposal of subsidiary	-	-	(49,082)	-	49,082	-
<b>Total transactions with owners</b>	-	-	(49,082)	-	(10,918)	(60,000)
<b>At 28 November 2020</b>	106	30	-	208,019	2,222,416	2,430,571
<b>Comprehensive loss for the period</b>	-	-	-	-	120,527	120,527
Profit for the period	-	-	-	-	120,527	120,527
<b>At 30 November 2021</b>	106	30	-	208,019	2,342,943	2,551,098

The notes on pages 15 to 33 form part of these financial statements.

KL TECHNOLOGIES HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 November 2019</b>	106	30	5,625,521	5,625,657
<b>Comprehensive loss for the period</b>				
Loss for the period	-	-	(5,328,675)	(5,328,675)
Dividends: Equity capital	-	-	(60,000)	(60,000)
<b>At 28 November 2020</b>	106	30	236,846	236,982
<b>At 30 November 2021</b>	106	30	236,846	236,982

The notes on pages 15 to 33 form part of these financial statements.

KL TECHNOLOGIES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	30 November 2021 £	27 November 2020 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial period	120,527	(6,198,498)
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	(52,782)
Depreciation of tangible assets	13,899	132,913
Loss on disposal of investments	-	8,941,744
Interest paid	-	28,924
Taxation charge	120,616	559,870
Decrease/(increase) in stocks	-	(15,294)
(Increase)/decrease in debtors	(241,442)	422,744
Increase/(decrease) in creditors	63,455	(418,679)
Net fair value losses/(gains) recognised in P&L	-	(485,171)
Corporation tax (paid)	(31,328)	(293,763)
Foreign exchange	-	17,018
<b>Net cash generated from operating activities</b>	<b>45,727</b>	<b>2,639,026</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,877)	(158,656)
Disposal of subsidiary undertakings	-	(3,487,304)
<b>Net cash from investing activities</b>	<b>(3,877)</b>	<b>(3,645,960)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(827,335)
Dividends paid	-	(60,000)
Interest paid	-	(28,924)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(916,259)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>41,850</b>	<b>(1,923,193)</b>
Cash and cash equivalents at beginning of period	37,914	1,961,107
<b>Cash and cash equivalents at the end of period</b>	<b>79,764</b>	<b>37,914</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	79,764	37,914

The notes on pages 15 to 33 form part of these financial statements.



KL TECHNOLOGIES HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	At 28 November 2020 £	Cash flows £	At 30 November 2021 £
Cash at bank and in hand	37,914	41,850	79,764
Debt due within 1 year	-	-	-
	<u>37,914</u>	<u>41,850</u>	<u>79,764</u>

The notes on pages 15 to 33 form part of these financial statements.

## KL TECHNOLOGIES HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2021

#### 1. General information

KL Technologies Holdings Limited is a private company limited by shares, incorporated in England and Wales, with a company registration number of 11055387. The address of the registered office is Estuary Road, King's Lynn, Norfolk, PE30 2HS. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

#### 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).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company 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.

##### 2.3 Going concern

The Company is the parent Company of K L Technologies Limited. The directors of K L Technologies Limited are continually assessing the impact of COVID-19. They have not encountered any significant adverse impacts as a result of the pandemic and have continued to trade profitably and have prepared accounts on a going concern basis. Therefore, the directors of KL Technologies Holdings Limited deem it appropriate to prepare the accounts on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.4 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 profit or loss 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 profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

**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 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.7 Finance costs**

Finance costs are charged to profit or loss 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 PERIOD ENDED 30 NOVEMBER 2021

**2. Accounting policies (continued)**

**2.8 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 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 Group in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 corporation 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.

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**2. Accounting policies (continued)****2.11 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.

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Office equipment	-	25%

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.

**2.12 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Debtors**

Short-term debtors are measured at transaction price, less any impairment.

**2.15 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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Group 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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 of the recoverable amount, 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

**2. Accounting policies (continued)**

**2.18 Financial instruments (continued)**

financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.19 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are addressed below.

**Useful economic life of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual values of the assets. The economic lives and residual values are reassessed annually and, where necessary, amended to reflect current conditions.

**Inventory provisioning**

The Group manufactures and sells product subject to the demands of the market in which it operates. As a result it is necessary to consider the recoverability of cost of inventory and the associated provisioning required. The Group considers the condition and age of the inventory using assumptions over the sale of finished goods and usage of raw materials in estimating the provision required.

**Impairment of debtors**

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors the directors consider factors including age, independent credit rating and historical experience.

**Valuation of investment property**

The directors have assessed the value of the investment property on the basis of a 13% yield of the annual rental income. The yield applied is a significant judgement formed on the basis of similar properties in the area, considering also the location and condition of the property.



KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

**4. Turnover**

Analysis of turnover by country of destination:

	Period ended 30 November 2021 £	Period ended 27 November 2020 £
United Kingdom	462,047	884,287
Rest of Europe	-	5,771,249
Rest of the world	-	7,513,954
	<u>462,047</u>	<u>14,169,490</u>

**5. Operating profit**

The operating profit is stated after charging:

	Period ended 30 November 2021 £	Period ended 27 November 2020 £
Depreciation of tangible fixed assets	13,899	132,913
Fees payable to the Company's auditor and its associates for the audit of the Group's annual financial statements	3,500	27,240
Amortisation of intangible assets, including goodwill	-	(52,782)
Exchange differences	-	34,594
Defined contribution pension cost	<u>28,792</u>	<u>354,724</u>

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 30 November 2021 £	Group 27 November 2020 £	Company 30 November 2021 £	Company 27 November 2020 £
Wages and salaries	82,459	3,528,810	-	-
Social security costs	8,320	370,816	-	-
Cost of defined contribution scheme	28,792	354,724	-	-
	<u>119,571</u>	<u>4,254,350</u>	<u>-</u>	<u>-</u>

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

	Group Period ended 30 November 2021 No.	Group Period ended 27 November 2020 No.	Company Period ended 30 November 2021 No.	Company Period ended 27 November 2020 No.
Production	-	70	-	-
Technical & Administrative	3	62	2	2
	<u>3</u>	<u>132</u>	<u>2</u>	<u>2</u>

7. Directors' remuneration

	Period ended 30 November 2021 £	Period ended 27 November 2020 £
Directors' emoluments	73,821	104,773
Group contributions to defined contribution pension schemes	7,708	10,000
	<u>81,529</u>	<u>114,773</u>

During the period retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

8. Taxation

	Period ended 30 November 2021 £	Period ended 27 November 2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	51,681	499,699
Adjustments in respect of previous periods	(79)	-
	<u>51,602</u>	<u>499,699</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	-	591
<b>Total current tax</b>	<u>51,602</u>	<u>500,290</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	69,014	59,580
<b>Total deferred tax</b>	<u>69,014</u>	<u>59,580</u>
<b>Taxation on profit on ordinary activities</b>	<u>120,616</u>	<u>559,870</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**8. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Period ended 30 November 2021 £	Period ended 27 November 2020 £
Profit/(loss) on ordinary activities before tax	<u>241,143</u>	<u>(5,638,628)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	45,817	(1,071,339)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,327	715,018
Capital allowances for period in excess of depreciation	1,744	35,926
Adjustments to tax charge in respect of prior periods	(79)	(3,910)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	173	-
Short term timing difference leading to an (decrease) increase in taxation	(380)	-
Non-taxable income	-	920,123
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(24,009)
Capital gains	-	3,357
Double taxation relief	-	591
Other differences leading to an increase (decrease) in the tax charge	52,634	(15,887)
Change in deferred tax rates	16,380	-
<b>Total tax charge for the period</b>	<u><u>120,616</u></u>	<u><u>559,870</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**9. Dividends**

	30 November 2021 £	27 November 2020 £
Dividends paid on ordinary A shares	<u><u>-</u></u>	<u><u>60,000</u></u>

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

10. Tangible fixed assets

Group

	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 28 November 2020	103,230	18,694	121,924
Additions	-	3,877	3,877
At 30 November 2021	103,230	22,571	125,801
<b>Depreciation</b>			
At 28 November 2020	90,300	18,694	108,994
Charge for the period on owned assets	12,930	969	13,899
At 30 November 2021	103,230	19,663	122,893
<b>Net book value</b>			
At 30 November 2021	-	2,908	2,908
<b>At 27 November 2020</b>	12,930	-	12,930

**KL TECHNOLOGIES HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**11. Fixed asset investments**

**Company**

As at 26 November 2021, the net book value of the investment in subsidiary company was £0.14 (27 November 2020: £0.14).

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

**Class of**

**Name Registered office Principal activity shares Holding**

KL Technologies Limited Riverside Industrial Estate, Management Ordinary 100%

Estuary Road, Kings Lynn, company

Norfolk, United Kingdom,

PE30 2HS

KL Technologies Limited has not been audited as an individual entity in accordance with section 479A of the Companies Act 2006.

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

12. Investment property

Group

Freehold  
investment  
property  
£

Valuation

At 28 November 2020

2,988,092

At 30 November 2021

2,988,092

The 2021 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	30 November 2021 £	27 November 2020 £
Historic cost	2,737,986	2,737,986
Accumulated depreciation and impairments	(590,334)	(521,885)
	<u>2,147,652</u>	<u>2,216,101</u>

The Company's investment property has been valued using inputs from previous external valuations and relates to portions of the Company's land and buildings rented to companies which are not part of the K L Technologies Holdings Limited Group.

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

13. Debtors

	Group 30 November 2021 £	Group 27 November 2020 £	Company 30 November 2021 £	Company 27 November 2020 £
<b>Due after more than one year</b>				
Prepayments and accrued income	177,695	-	-	-
	<u>177,695</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Group 30 November 2021 £	Group 27 November 2020 £	Company 30 November 2021 £	Company 27 November 2020 £
<b>Due within one year</b>				
Amounts owed by group undertakings	-	-	236,832	236,832
Amounts owed by joint ventures and associated undertakings	1,031	-	-	-
Other debtors	150	150	150	150
Prepayments and accrued income	62,716	-	-	-
	<u>63,897</u>	<u>150</u>	<u>236,982</u>	<u>236,982</u>

14. Creditors: Amounts falling due within one year

	Group 30 November 2021 £	Group 27 November 2020 £
Trade creditors	1,418	5,088
Corporation tax	51,681	31,407
Other taxation and social security	21,504	13,299
Other creditors	387,091	330,736
Accruals and deferred income	14,787	12,222
	<u>476,481</u>	<u>392,752</u>



KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

15. Financial instruments

	Group 30 November 2021 £	Group 27 November 2020 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>80,945</u>	<u>38,064</u>
	Group 26 November 2021 £	Group 27 November 2020 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(403,296)</u>	<u>(348,046)</u>
	Group 26 November 2021 £	Group 27 November 2020 £
<b>Interest income/(expense)</b>		
Total interest expense for financial liabilities at amortised cost	<u>-</u>	<u>(28,924)</u>

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

Other financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

KL TECHNOLOGIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

16. Deferred taxation

Group

		2021 £
At beginning of year		215,763
Charged to profit or loss		69,014
Utilised in year		-
<b>At end of year</b>		<b>284,777</b>

  

	Group 30 November 2021 £	Group 27 November 2020 £
Accelerated capital allowances	265,724	203,854
Capital gains and losses	32,053	24,360
Short term timing differences	(13,000)	(12,451)
	<b>284,777</b>	<b>215,763</b>

# KL TECHNOLOGIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2021

### 17. Share capital

	30 November 2021 £	27 November 2020 £
<b>Allotted, called up and fully paid</b>		
36,000 (2020 - 36,000) Ordinary A shares shares of £0.000001 each	-	-
105,000,000 (2020 - 105,000,000) Ordinary B shares shares of £0.000001 each	105	105
700,000 (2020 - 1,000,000) Ordinary G shares shares of £0.000001 each	1	1
	<u>106</u>	<u>106</u>

### 18. Reserves

#### Capital redemption reserve

Capital redemption reserve represents paid up share capital that the company has bought back.

#### Foreign exchange reserve

Foreign exchange reserve represents cumulative foreign exchange translation movement.

#### Other reserves

Other reserves represents the reserve acquisition adjustment required under the purchase method of accounting to present the Statement of Changes in Equity as if KL Technologies Holdings Limited has always been the Parent Company and owned all of the subsidiaries.

#### Profit and loss account

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

### 19. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £28,792 (2020 - £354,724). Contributions totalling £2,542 (2020 - £1,692) were payable to the fund at the balance sheet date and are included in creditors.

### 20. Related party transactions

During the period the Company purchased professional services from CBW Solutions Ltd, which is owned by the wife of a director of the Company. Total purchases in the period were £24,996 (2020 - £49,475) with amounts outstanding at the period end of £Nil (2020 - £4,785).

**KL TECHNOLOGIES HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**21. Controlling party**

By virtue of his direct shareholding and those held by his close family, the directors deem M Littlewood to be the ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.