Company No: 03529754

KGAL CONSULTING ENGINEERS LTD

FILLETED FINANCIAL STATEMENTS

YEAR ENDED

31 DECEMBER 2020

Contents

Company Information

Directors	R J Digby S Wingrove T J Doyle D Griffiths
Registered office	Suite 4 Bourne Gate Bourne Valley Road Poole Dorset BH12 1DY
Auditors	Simpson Associates Chartered Accountants and Registered Auditors’ Alum House 5 Alum Chine Road Westbourne Bournemouth Dorset BH4 8DT

KGAL CONSULTING ENGINEERS LTD
(Registration number: 03529754)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	3,993	8,318
Tangible assets	5	91,488	82,622
		95,481	90,940
Current assets			
Debtors	6	801,265	648,173
Cash at bank and in hand		515,111	369,779
		1,316,376	1,017,952
Creditors: Amounts falling due within one year	7	(525,596)	(457,609)
Net current assets		790,780	560,343
Total assets less current liabilities		886,261	651,283
Provisions for liabilities		-	(10,352)
Net assets		886,261	640,931
Capital and reserves			
Called up share capital		25,000	25,000
Share premium reserve		78,150	78,150
Profit and loss account		783,111	537,781
Total equity		886,261	640,931

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 2 June 2021 and signed on its behalf by:

R J Digby
Director

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Suite 4 Bourne Gate
Bourne Valley Road
Poole
Dorset
BH12 1DY
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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.

Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern. This includes the uncertainty surrounding COVID-19 and the impact it will have on the trading of the Company. Whilst some challenges were initially faced through the necessary changes to working practices, the level of business to date has remained largely uninterrupted with a healthy order book being maintained. Accordingly the directors have a reasonable expectation that the Company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

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

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the funds or asset received or receivable.

Government grants in respect of capital expenditure are credited to deferred income and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Finance income and costs policy

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

Foreign currency 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. Nonmonetary 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.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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 write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Leasehold property	4 years straight line
Office and computer equipment	25% reducing balance

Amortisation

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

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

Computer software included within intangible assets is amortised over 3 years on a straight line basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Financial instruments

Classification
Financial assets

Basic financial assets
Basic financial assets, which include trade debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 28 (2019 - 34).

4 Intangible assets

	Computer software £	Total £
Cost or valuation		
At 1 January 2020	33,041	33,041
At 31 December 2020	33,041	33,041
Amortisation		
At 1 January 2020	24,722	24,722
Amortisation charge	4,326	4,326
At 31 December 2020	29,048	29,048
Carrying amount		
At 31 December 2020	3,993	3,993
At 31 December 2019	8,318	8,318

5 Tangible assets

	Short-term leasehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2020	2,527	486,684	489,211
Additions	-	32,484	32,484
At 31 December 2020	2,527	519,168	521,695
Depreciation			
At 1 January 2020	1,741	404,850	406,591
Charge for the year	633	22,983	23,616
At 31 December 2020	2,374	427,833	430,207
Carrying amount			
At 31 December 2020	153	91,335	91,488
At 31 December 2019	786	81,836	82,622

6 Debtors

	Note	2020 £	2019 £
Trade debtors		591,515	475,087
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	48,286	10,284
Prepayments		161,324	162,571
Other debtors		140	231
		801,265	648,173

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Trade creditors		167,970	106,815
Amounts owed to group undertakings and undertakings in which the company has a participating interest	9	187,574	187,574
Taxation and social security		123,632	111,559
Accruals and deferred income		37,718	37,721
Other creditors		8,702	13,940
		525,596	457,609

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £183,976 (2019 - £282,649).

9 Related party transactions

Summary of transactions with related parties

During the year the Company made sales of £425,617 (2019: £170,750) to Whessoe Sdn Bhd, the ultimate parent undertaking. At the balance sheet date, £187,574 (2019: £187,574) was owed to Whessoe Sdn Bhd and a further £44,866 (2019: £10,284) was owed to KGAL Consulting Engineers Ltd from Whessoe Sdn Bhd.

During the year the Company made sales of £3,420 (2019: £nil) to Whessoe Lao Co Ltd, a company controlled by the ultimate parent undertaking. At the balance sheet date £3,420 (2019: £nil) was owed from Whessoe Lao Co Ltd.

10 Auditors' information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed by Adrian Simpson (senior statutory auditor) on behalf of Simpson Associates on 2 June 2021.