

YAMGO LTD
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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DIRECTORS:

I R Mullins
J R Green
M Krebsz

REGISTERED OFFICE:

Unit 4
Technium 1
Kings Road
Swansea
SA1 8PH

REGISTERED NUMBER:

03597254 (England and Wales)

SENIOR STATUTORY AUDITOR:

Rachel Doyle

AUDITORS:

Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

BALANCE SHEET
31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4		2,167,531		32,600
Tangible assets	5		8,826		38,541
Investments	6		-		1
			<u>2,176,357</u>		<u>71,142</u>
CURRENT ASSETS					
Debtors	7	344,438		206,533	
Cash at bank and in hand		<u>243,361</u>		<u>232,483</u>	
		587,799		439,016	
CREDITORS					
Amounts falling due within one year	8	<u>205,055</u>		<u>134,500</u>	
NET CURRENT ASSETS			<u>382,744</u>		<u>304,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,559,101		375,658
ACCRUALS AND DEFERRED INCOME			<u>130,337</u>		<u>111,059</u>
NET ASSETS			<u>2,428,764</u>		<u>264,599</u>
CAPITAL AND RESERVES					
Called up share capital	9		39,998		39,998
Share premium			1,505,395		1,505,395
Other reserves			972,699		159,826
Retained earnings			<u>(89,328)</u>		<u>(1,440,620)</u>
SHAREHOLDERS' FUNDS			<u>2,428,764</u>		<u>264,599</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2022 and were signed on its behalf by:

I R Mullins - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Yamgo Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The principal activity of the company during the year was the provision of digital advertising services and development of a decentralised infrastructure for the delivery and tracking of digital content..

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

The company has recorded a profit for the year and has net current assets and net assets at the balance sheet date.

The company is reliant upon a key customer for future sales generation. The key customer also settles sales consideration by way of its own cryptocurrency. Whilst the customer's cryptocurrency has experienced a trend of rising value since its inception in 2018, the nature of the cryptocurrency market is inherently volatile and the company carries the risk of its sales receipts falling in value before such time that the cryptocurrency can be sold for more traditional currencies.

Since the balance sheet date, there have been numerous downturns in the cryptocurrency market. This has resulted in a significant reduction in value of intangible assets. The company also has certain time-based restrictions in relation to exchanging cryptocurrency assets into traditional currencies.

The directors have assessed the company's working capital requirements allowing for their anticipation of volatility in cryptocurrency values. They are confident that their current efforts to obtain additional equity and other finance and to significantly increase turnover will be successful but are able to limit growth to reduce working capital requirements, including allowance for cryptocurrency volatility, within their existing financial resources.

The directors have considered the company's current position and its likely future profitability and cash flows, as well as any uncertainties and believe that the company can continue in operational existence for the foreseeable future. They therefore continue to prepare the accounts on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only effects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Recovery of trade debtors

The directors assess trade debtor balances outstanding at the reporting date and make provisions against specific balances where deemed necessary.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the income statement.

Provisions and contingencies

Provisions are recognised when the company has a present obligation as a result of a past event and a reliable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless a transfer of economic benefits is considered remote. Contingent assets are only disclosed if an inflow of economic benefits is probable.

Turnover and revenue recognition

Turnover represents the revenue arising from the sale of services, stated at the fair value of the consideration receivable, excluding value added tax, rebates and discounts. Turnover is recognised when the company receives a right to consideration based upon its delivery or performance.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment provisions. Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery etc - 10% and 25% on cost

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Intangible fixed assets

Intangible assets relate to cryptocurrency, which is generally converted into traditional currencies on a monthly basis.

Cryptocurrency is carried at fair value, which is based on the active trading market price of the asset, as translated to US Dollar (\$) value. Further conversion is then calculated using quoted currency exchange rates on the same day to translate the assets into Pound Sterling (£).

The trading market price of cryptocurrencies are inherently volatile and can be further affected by the volume of units being exchanged at any one time. It is not possible to quantify the impact on market price that would be experienced if the company were to exchange or dispose of its entire holding in one transaction and accordingly, the fair value of investment assets does not reflect this. As noted above, the company makes regular disposals of the assets throughout the year.

The fair value included within the financial statements does not take into account any transaction or other selling costs necessary to convert intangible assets into Pound Sterling.

Increases in market value are recognised within the the statement of Other Comprehensive Income and are accumulated in a separate reserve. Where increases in market value reverse a valuation decrease previously recognised in the Income Statement, then such increases are also recognised within the Income Statement.

The company does not hold cryptocurrency for speculative purposes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Financial instruments

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price 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.

Basic financial liabilities, including trade and other creditors, 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 payments discounted at a market rate of interest.

Other 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 entity after deducting all of its financial liabilities.

Government grants

Grants are credited to deferred revenue when entitlement to the grant has been established. Grants towards capital expenditure are then released to the Income Statement over the useful life of the assets. Grants towards revenue expenditure are released to the Income Statement as the related expenditure is incurred.

Share-based payments

The company has equity-settled share based-payments issued to directors and employees. The requirements of FRS 102 Section 1A have been applied and the share options are measured at fair value at the grant date.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2020 - 8) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST OR VALUATION	
At 1 January 2021	32,600
Additions	1,783,599
Disposals	(621,367)
Revaluations	972,699
At 31 December 2021	<u>2,167,531</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,167,531</u>
At 31 December 2020	<u>32,600</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2021	231,191
Additions	5,500
Disposals	(1,903)
At 31 December 2021	<u>234,788</u>
DEPRECIATION	
At 1 January 2021	192,650
Charge for year	33,845
Eliminated on disposal	(533)
At 31 December 2021	<u>225,962</u>
NET BOOK VALUE	
At 31 December 2021	<u>8,826</u>
At 31 December 2020	<u>38,541</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2021	1
Disposals	(1)
At 31 December 2021	-
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	1

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	as 2020 restated £
Trade debtors	313,014	115,983
Other debtors	31,424	90,550
	<u>344,438</u>	<u>206,533</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	as 2020 restated £
Trade creditors	8,155	360
Taxation and social security	9,888	7,497
Other creditors	187,012	126,643
	<u>205,055</u>	<u>134,500</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2021 £	2020 as restated £
399,975	Ordinary	10p	<u>39,998</u>	<u>39,998</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Rachel Doyle (Senior Statutory Auditor)
for and on behalf of Gerald Thomas

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
11. OTHER FINANCIAL COMMITMENTS

The company has future operating lease commitments totalling £3,125 (2020 - £3,125). These commitments are unsecured.

12. SHARE-BASED PAYMENT TRANSACTIONS

The company has granted share options, which were still in issue at the balance sheet date, as follows:

Year of issue	2015	2016
Number granted	9,200	15,000
Exercise price	£10	£10
Number of employees/directors/others	1	2
Exercisable to	31/12/25	31/12/26

At the balance sheet date, the total share options granted to directors were as follows:

Director	Options held
I R Mullins	14,200

13. RELATED PARTY DISCLOSURES

At the balance sheet date an amount of £95,360, (2020 - £37,564) was owed to company directors (and former directors) in relation to remuneration due. The balance is unsecured, interest free, and repayable on demand.

14. POST BALANCE SHEET EVENTS

As set out in the accounting policies in note 2, intangible assets are comprised of cryptocurrency, which is disposed of on a monthly basis. Since 31 December 2021, there has been significant volatility in cryptocurrency market prices and the company's monthly disposals of cryptocurrency have been at rates that were lower than the year end rate. At the date of approval of the financial statements, the company has realised losses in the region of £338,000 in relation to such disposals.

In addition to these losses, the reduction in rates has resulted in a reduction in the value of the remaining cryptocurrency assets held at the balance sheet date and not yet disposed of. This reduction currently amounts to around £1,500,000. However, this potential reduction in value will not crystallise until such time that the assets are disposed of and therefore the actual quantum of gain or loss will depend upon future movements in the cryptocurrency market price.

15. OTHER RESERVES

	Other reserves
At 1 January 2021	£ 159,826
Realisation of gains within the period	(159,826)
Unrealised gains at the balance sheet date	972,699
At 31 December 2021	<u>972,699</u>

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.