

Unaudited Financial Statements for the Year Ended 31 May 2020

for

Kualo Limited

Kualo Limited (Registered number: 04004280)

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for the Year Ended 31 May 2020

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Balance Sheet
31 May 2020

		31.5.20	31.5.19
	Notes	£	as restated £
FIXED ASSETS			
Intangible assets	4	37,649	3,200
Tangible assets	5	<u>122,435</u>	<u>98,558</u>
		<u>160,084</u>	<u>101,758</u>
CURRENT ASSETS			
Debtors	6	132,126	60,708
Cash at bank		<u>92,059</u>	<u>9,500</u>
		224,185	70,208
CREDITORS			
Amounts falling due within one year	7	<u>(420,926)</u>	<u>(299,693)</u>
NET CURRENT LIABILITIES		<u>(196,741)</u>	<u>(229,485)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(36,657)	(127,727)
CREDITORS			
Amounts falling due after more than one year	8	(100,125)	(31,749)
PROVISIONS FOR LIABILITIES	9	<u>(29,884)</u>	<u>(18,726)</u>
NET LIABILITIES		<u>(166,666)</u>	<u>(178,202)</u>

Balance Sheet - continued
31 May 2020

	Notes	31.5.20 £	as 31.5.19 restated £
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Retained earnings		<u>(166,766)</u>	<u>(178,302)</u>
SHAREHOLDERS' FUNDS		<u>(166,666)</u>	<u>(178,202)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 31 August 2021 and were signed on its behalf by:

Mr D C Luke - Director

Notes to the Financial Statements
for the Year Ended 31 May 2020

1. STATUTORY INFORMATION

Kualo Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number:	04004280
Registered office:	20-22 Wenlock Road London N1 7GU

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

IPv4 addresses have been recognised in the accounts at fair value using the revaluation model through profit and loss. Deferred tax has been provided on the revaluation. The revaluation will be carried in equity as non distributable reserves. Fair value is determined by reference to an active market.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 30% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 25% on reducing balance

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.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

2. **ACCOUNTING POLICIES - continued**

Deferred tax

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 2 (2019 - 2) .

4. **INTANGIBLE FIXED ASSETS**

	Goodwill £	IPv4 addresses £	Totals £
COST OR VALUATION			
At 1 June 2019	8,000	-	8,000
Revaluations	-	34,849	34,849
At 31 May 2020	<u>8,000</u>	<u>34,849</u>	<u>42,849</u>
AMORTISATION			
At 1 June 2019	4,800	-	4,800
Amortisation for year	400	-	400
At 31 May 2020	<u>5,200</u>	<u>-</u>	<u>5,200</u>
NET BOOK VALUE			
At 31 May 2020	<u>2,800</u>	<u>34,849</u>	<u>37,649</u>
At 31 May 2019	<u>3,200</u>	<u>-</u>	<u>3,200</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

4. **INTANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 May 2020 is represented by:

	Goodwill £	IPv4 addresses £	Totals £
Valuation in 2020	-	34,849	34,849
Cost	8,000	-	8,000
	<u>8,000</u>	<u>34,849</u>	<u>42,849</u>

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 June 2019	47,391	6,122	293,151	346,664
Additions	-	817	52,345	53,162
Disposals	-	(5,137)	-	(5,137)
At 31 May 2020	<u>47,391</u>	<u>1,802</u>	<u>345,496</u>	<u>394,689</u>
DEPRECIATION				
At 1 June 2019	46,900	5,552	195,654	248,106
Charge for year	147	174	28,823	29,144
Eliminated on disposal	-	(4,996)	-	(4,996)
At 31 May 2020	<u>47,047</u>	<u>730</u>	<u>224,477</u>	<u>272,254</u>
NET BOOK VALUE				
At 31 May 2020	<u>344</u>	<u>1,072</u>	<u>121,019</u>	<u>122,435</u>
At 31 May 2019	<u>491</u>	<u>570</u>	<u>97,497</u>	<u>98,558</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.20 £	as restated £	31.5.19 £
Trade debtors	64,466		52,949
Other debtors	30,370		4,556
Tax	31,412		-
Prepayments and accrued income	5,878		3,203
	<u>132,126</u>		<u>60,708</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.20	as	31.5.19
	£		restated £
Other loans	24,140		-
Trade creditors	31,122		21,660
Tax	12,046		-
VAT	55,186		21,460
Other creditors	32,175		31,664
Directors' current accounts	12,493		9,142
Accruals and deferred income	253,764		215,767
	<u>420,926</u>		<u>299,693</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.5.20	as	31.5.19
	£		restated £
Other loans after 1 year	72,087		-
Accruals and deferred income	28,038		31,749
	<u>100,125</u>		<u>31,749</u>

9. PROVISIONS FOR LIABILITIES

	31.5.20	as	31.5.19
	£		restated £
Deferred tax	<u>29,884</u>		<u>18,726</u>
			Deferred tax £
Balance at 1 June 2019			18,726
Provided during year			11,158
Balance at 31 May 2020			<u>29,884</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.20	31.5.19 as restated
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

11. **RELATED PARTY DISCLOSURES**

Kualo Europe Ltd (Bulgarian)

A company in which Mr D C Luke is a 50% shareholder.

A company which Mr J W Stonehouse is a 50% shareholder.

As at 31 May 2020, £24,788 (2019:£2,010) was due to Kualo Limited from Kualo Europe Ltd in relation to intercompany transfers.

Mr D C Luke

As at 31 May 2020 the company owed Mr D C Luke (director) £7,796 (2019: £4,715), in respect of expenses paid for on behalf of the company.

Mr J W Stonehouse

As at 31 May 2020 the company owed Mr J W Stonehouse (director) £4,697 (2019: £4,426), in respect of expenses paid for on behalf of the company.

12. **DIVIDENDS**

Dividends have been paid to the shareholders during the year despite the negative reserves shown in these accounts. At the time that the dividends were declared, annual accounts and management accounts showed sufficient reserves to cover these dividends. Following an annual review of accounting policies it was found that revenue had been incorrectly recognised. The adjustment deferred revenue into future periods and turned reserves into a negative. Following the discovery of this error dividends were no longer issued and will not be until such time that the company has sufficient reserves. This is in line with FRS 102 accounting standards and fully compliant with company law.

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.