

COMPANY REGISTRATION NUMBER: 05092653

**Kagool Ltd**

**Filleted Unaudited Financial Statements**

**31 July 2020**

# Kagool Ltd

## Statement of Financial Position

31 July 2020

		2020		2019	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	6		932,367		1,170,418
Tangible assets	7		96,258		45,990
Investments	8		17,610		17,610
			<u>1,046,235</u>		<u>1,234,018</u>
<b>Current Assets</b>					
Debtors	9	1,379,190		921,179	
Cash at bank and in hand		480,342		13,917	
		<u>1,859,532</u>		<u>935,096</u>	
<b>Creditors: amounts falling due within one year</b>	10	( 1,330,448)		( 457,061)	
<b>Net Current Assets</b>			529,084		478,035
<b>Total Assets Less Current Liabilities</b>			1,575,319		1,712,053
<b>Creditors: amounts falling due after more than one year</b>	11		( 170,210)		( 242,888)
<b>Provisions</b>					
Taxation including deferred tax			73,032		54,567
<b>Net Assets</b>			<u>1,478,141</u>		<u>1,523,732</u>
<b>Capital and Reserves</b>					
Called up share capital			2		2
Profit and loss account			1,478,139		1,523,730
<b>Shareholders Funds</b>			<u>1,478,141</u>		<u>1,523,732</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

# Kagool Ltd

## Statement of Financial Position *(continued)*

**31 July 2020**

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For the year ending 31st July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 30 October 2020 , and are signed on behalf of the board by:

Mr D J Barlow

Director

Company registration number: 05092653

# Kagool Ltd

## Notes to the Financial Statements

**Year ended 31st July 2020**

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### **1. General Information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Emstrey House (North), Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG.

### **2. Statement of Compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

#### **Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue Recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### **Income Tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

#### **Foreign Currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Intangible Assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software	-	20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible Assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixture and fittings	-	15% straight line
Equipment	-	33% straight line

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Impairment of Fixed Assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

**Government Grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

## **Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Basic financial assets, which include debtors and cash and bank balances, 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, which the transaction is measured at the present value of the future receipts discounted at market rate of interest. Financial assets classified as receivable within one year are not amortised. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement 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, including 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

## **Defined Contribution Plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

## **4. Employee Numbers**

The average number of persons employed by the company during the year amounted to 56 (2019: 29 ).



## 5. Tax on (Loss)/Profit

### Major components of tax income

	Year to 31 Jul 20	Period from 1 Apr 18 to 31 Jul 19
	£	£
<b>Current tax:</b>		
UK current tax income	( 58,535)	( 212,555)
Adjustments in respect of prior periods	( 13,978)	—
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Total current tax	( 72,513)	( 212,555)
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<b>Deferred tax:</b>		
Origination and reversal of timing differences	( 18,465)	( 56,559)
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<b>Tax on (loss)/profit</b>	<b>( 90,978)</b>	<b>( 269,114)</b>
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## 6. Intangible Assets

	Intangible asset user defined 1 £
<b>Cost</b>	
At 1st August 2019 and 31st July 2020	1,190,256
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<b>Amortisation</b>	
At 1st August 2019	19,838
Charge for the year	238,051
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At 31st July 2020	257,889
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<b>Carrying amount</b>	
At 31st July 2020	932,367
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At 31st July 2019	1,170,418
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## 7. Tangible Assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1st August 2019	11,034	52,242	63,276
Additions	16,157	63,205	79,362
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At 31st July 2020	27,191	115,447	142,638
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<b>Depreciation</b>			
At 1st August 2019	2,210	15,076	17,286
Charge for the year	3,238	25,856	29,094
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At 31st July 2020	5,448	40,932	46,380
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<b>Carrying amount</b>			
At 31st July 2020	21,743	74,515	96,258
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At 31st July 2019	8,824	37,166	45,990
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## 8. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1st August 2019 and 31st July 2020	17,610
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<b>Impairment</b>	
At 1st August 2019 and 31st July 2020	—
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<b>Carrying amount</b>	
At 31st July 2020	17,610
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At 31st July 2019	17,610
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## 9. Debtors

	2020 £	2019 £
Trade debtors	695,481	425,892
Amounts owed by group undertakings and undertakings in which the company has a participating interest	20,670	24,173
Other debtors	663,039	471,114
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	1,379,190	921,179
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## 10. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	72,679	69,210
Trade creditors	146,760	43,270
Social security and other taxes	663,327	199,205
Other creditors	447,682	145,376
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	1,330,448	457,061
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## 11. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	170,210	242,888
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## 12. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2020 £	2019 £
Included in provisions	( 73,032)	( 54,567)
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2020 £	2019 £
Accelerated capital allowances	116,794	135,209
Unused tax losses	( 189,826)	( 189,776)
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	(73,032)	(54,567)
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### 13. Directors' Advances, Credits and Guarantees

During the year the directors entered into the following advances and credits with the company:

<b>2020</b>				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D J Barlow	17,371	32,335	( 60,664)	( 10,958)
Mr P P Patel	56,490	20,000	( 78,000)	( 1,510)
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	73,861	52,335	( 138,664)	( 12,468)
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<b>2019</b>				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D J Barlow	55,690	49,181	( 87,500)	17,371
Mr P P Patel	—	—	56,490	56,490
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	55,690	49,181	( 31,010)	73,861
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The non-interest bearing loans are repayable upon demand.

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