

Unaudited Financial Statements for the Year Ended 31 March 2022

for

DECIMAL FACTOR LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022

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DECIMAL FACTOR LIMITED
Company Information
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTOR: M Karkhanis

REGISTERED OFFICE: Butler & Co LLP
Chartered Accountants
Third Floor, 126 -134 Baker Street
London
W1U 6UE

REGISTERED NUMBER: 06596471 (England and Wales)

ACCOUNTANTS: Butler & Co LLP
Chartered Accountants
Third Floor
126-134 Baker Street
London
W1U 6UE

DECIMAL FACTOR LIMITED (REGISTERED NUMBER: 06596471)

Balance Sheet
31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4		182,358		183,079
Tangible assets	5		3,433		4,639
Investments	6		45,296		45,296
			<u>231,087</u>		<u>233,014</u>
CURRENT ASSETS					
Debtors	7	170,705		490,718	
Cash at bank		<u>238</u>		<u>51,633</u>	
		170,943		542,351	
CREDITORS					
Amounts falling due within one year	8	<u>710,569</u>		<u>260,959</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(539,626)</u>		<u>281,392</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(308,539)		514,406
CREDITORS					
Amounts falling due after more than one year	9		<u>1,691,319</u>		<u>1,820,291</u>
NET LIABILITIES			<u>(1,999,858)</u>		<u>(1,305,885)</u>
CAPITAL AND RESERVES					
Called up share capital	11		20,000		20,000
Retained earnings			<u>(2,019,858)</u>		<u>(1,325,885)</u>
SHAREHOLDERS' FUNDS			<u>(1,999,858)</u>		<u>(1,305,885)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his 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 notes form part of these financial statements

Balance Sheet - continued
31 MARCH 2022

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 authorised for issue by the director and authorised for issue on 30 December 2022 and were signed by:

M Karkhanis - Director

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Decimal Factor Limited 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.

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.

Going Concern

The company made a loss of £693,973 (2021: £1,308,330) during the year and notwithstanding the fact that there is a net current deficit of £539,626. The director considers that the financial resources available to the company are adequate to meet its operational needs for the foreseeable future; and with the continued support of the company's shareholders, the company will be able to meet its liabilities as they fall due for payment. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Turnover

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software costs are not being amortised until the developed software is fully operational.

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 etc - 25% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

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 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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. **ACCOUNTING POLICIES - continued**

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.

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 profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 3 (2021 - 6) .

4. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
At 1 April 2021 and 31 March 2022	<u>185,244</u>
AMORTISATION	
At 1 April 2021	2,165
Charge for year	<u>721</u>
At 31 March 2022	<u>2,886</u>
NET BOOK VALUE	
At 31 March 2022	<u>182,358</u>
At 31 March 2021	<u>183,079</u>

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 April 2021 and 31 March 2022	<u>20,941</u>
DEPRECIATION	
At 1 April 2021	16,302
Charge for year	<u>1,206</u>
At 31 March 2022	<u>17,508</u>
NET BOOK VALUE	
At 31 March 2022	<u>3,433</u>
At 31 March 2021	<u>4,639</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2022**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>45,296</u>
NET BOOK VALUE	
At 31 March 2022	<u>45,296</u>
At 31 March 2021	<u>45,296</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade debtors	42,873	407,915
Other debtors	<u>127,832</u>	<u>82,803</u>
	<u>170,705</u>	<u>490,718</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Bank loans and overdrafts	134,700	-
Trade creditors	265,994	107,362
Taxation and social security	28,014	30,265
Other creditors	<u>281,861</u>	<u>123,332</u>
	<u>710,569</u>	<u>260,959</u>

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

	2022	2021 as restated
	£	£
Bank loans	306,819	-
Other creditors	<u>1,384,500</u>	<u>1,820,291</u>
	<u>1,691,319</u>	<u>1,820,291</u>

In 2021, loans amounting to £1,345,547 were converted to preference share and disclosed in the accounts as part of issued share capital. However, there has not been any actual issue of preference shares up to the end of the current year. This error has been corrected in the current year by reducing the issued preference share capital of the company by £1,345,547 and increasing other creditors by the same amount. The comparatives have also been restated in respect of this adjustment..

10. SECURED DEBTS

Lloyds Bank Plc & Newable Business Loans Limited have fixed and floating charges over the assets and undertakings of the company.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021 as restated
			£	£
20,000	Ordinary shares	£1	<u>20,000</u>	<u>20,000</u>

12. POST BALANCE SHEET EVENTS

On 20/06/2022 and 18/08/2022 creditor balances totalling £1,301,228 were converted into preference share capital via issue of 638,029 preference shares of £0.02 each at a premium of £2.01945 per share issued.

These conversions were planned to occur at 31st March 2022, but were delayed due to the late receipt of board approval from the creditor. If the conversions had been implemented at 31st March 2022, the share capital and reserve of the company would have been as follows:

	£
Called up share capital	20,000
Share premium reserve	1,288,468
Retained earnings	(2,019,858)
Total capital and reserve	<u>(711,390)</u>

On 12/05/2022, the company received a "subject to contract" offer from an investor to invest £2M in equity with a further line of credit of up to £8M. This offer is being pursued actively by the company.

13. ULTIMATE CONTROLLING PARTY

Mr M Karkhanis is the ultimate controlling party by virtue of his shareholding.

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.