

**KAPOW PRIMARY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Kapow Primary Limited

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Kapow Primary Limited

Company Information

| | |
|--------------------------|---|
| Directors | M G Elms S R M Philips E J Woodman |
| Registered office | Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX |
| Accountants | Hazlewoods LLP Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX |

Kapow Primary Limited**(Registration number: 09640574)****Balance Sheet as at 31 December 2022**

| | Note | 2022 £ | 2021 £ |
|--|-------------|-----------------------|-----------------------|
| Fixed assets | | | |
| Intangible assets | <u>5</u> | 278,973 | 137,858 |
| Tangible assets | <u>6</u> | <u>24,847</u> | <u>13,842</u> |
| | | <u>303,820</u> | <u>151,700</u> |
| Current assets | | | |
| Debtors | <u>7</u> | 220,227 | 138,468 |
| Cash at bank and in hand | | <u>1,024,369</u> | <u>652,806</u> |
| | | <u>1,244,596</u> | <u>791,274</u> |
| Creditors: Amounts falling due within one year | <u>8</u> | <u>(1,324,268)</u> | <u>(719,515)</u> |
| Net current (liabilities)/assets | | <u>(79,672)</u> | <u>71,759</u> |
| Net assets | | <u><u>224,148</u></u> | <u><u>223,459</u></u> |
| Capital and reserves | | | |
| Called up share capital | <u>10</u> | 331 | 331 |
| Share premium reserve | | 854,833 | 854,833 |
| Profit and loss account | | <u>(631,016)</u> | <u>(631,705)</u> |
| Total equity | | <u><u>224,148</u></u> | <u><u>223,459</u></u> |

For the financial year ending 31 December 2022 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 1 June 2023 and signed on its behalf by:

E J Woodman
Director

The notes on pages 3 to 8 form an integral part of these financial statements.

Kapow Primary Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

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:

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX
United Kingdom

The principal place of business is:

18 Crucifix Lane
London
SE1 3JW
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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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 that 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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Kapow Primary Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Tangible assets

Tangible assets are stated in the Balance Sheet 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

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|-----------------------------------|-------------------------------------|
| Furniture, fittings and equipment | 3 years straight line |

Intangible assets

Brands (including associated trademarks, licences and customer-related intangible assets) acquired in a business combination are recognised at fair value at the acquisition date. Such assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Website development costs are stated in the Balance Sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Website development costs include directly attributable incremental costs incurred in their acquisition and installation.

Development costs

Development costs are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|---------------------------|-------------------------------------|
| Brands | 5-10 years straight line |
| Website development costs | 10 years straight line |

Kapow Primary Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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.

Financial Instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements for the Year Ended 31 December 2022

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 28 (2021 - 12).

4 Taxation

Factors that may affect future tax charges

There are £2,371,278 of unused tax losses (2021 - £2,358,709) for which no deferred tax asset is recognised in the balance sheet as the recoverability of such an asset is considered uncertain.

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Notes to the Financial Statements for the Year Ended 31 December 2022

5 Intangible assets

| | Brands £ | Website development costs £ | Total £ |
|------------------------|-------------|--------------------------------------|------------|
| Cost | | | |
| At 1 January 2022 | 749,618 | 192,812 | 942,430 |
| Additions | - | 212,741 | 212,741 |
| At 31 December 2022 | 749,618 | 405,553 | 1,155,171 |
| Amortisation | | | |
| At 1 January 2022 | 749,618 | 54,954 | 804,572 |
| Amortisation charge | - | 71,626 | 71,626 |
| At 31 December 2022 | 749,618 | 126,580 | 876,198 |
| Carrying amount | | | |
| At 31 December 2022 | - | 278,973 | 278,973 |
| At 31 December 2021 | - | 137,858 | 137,858 |

6 Tangible assets

| | Furniture, fittings and equipment £ | Total £ |
|------------------------|--|------------|
| Cost | | |
| At 1 January 2022 | 23,215 | 23,215 |
| Additions | 21,054 | 21,054 |
| At 31 December 2022 | 44,269 | 44,269 |
| Depreciation | | |
| At 1 January 2022 | 9,372 | 9,372 |
| Charge for the year | 10,050 | 10,050 |
| At 31 December 2022 | 19,422 | 19,422 |
| Carrying amount | | |
| At 31 December 2022 | 24,847 | 24,847 |
| At 31 December 2021 | 13,842 | 13,842 |

Kapow Primary Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 162,320 | 107,977 |
| Other debtors | 12,800 | 14,568 |
| Prepayments and accrued income | 45,107 | 15,923 |
| | <u>220,227</u> | <u>138,468</u> |

8 Creditors

| | 2022 £ | 2021 £ |
|--|------------------|----------------|
| Due within one year | | |
| Trade creditors | 8,578 | 13,090 |
| Amounts due to related parties | 6,974 | 6,974 |
| Social security and other taxes | 114,919 | 61,775 |
| Outstanding defined contribution pension costs | 2,089 | 1,732 |
| Other creditors | 15,016 | 5,777 |
| Accrued expenses and deferred income | 1,176,692 | 630,167 |
| | <u>1,324,268</u> | <u>719,515</u> |

9 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 £Nil (2021 - £57,500). These commitments are due within one year of the balance sheet date.

10 Share capital

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | No. | £ | No. | £ |
| Ordinary A shares of £0.01 each | 12,903 | 129.03 | 12,903 | 129.03 |
| Ordinary B shares of £0.05 each | 4,033 | 201.65 | 4,033 | 201.65 |
| | <u>16,936</u> | <u>330.68</u> | <u>16,936</u> | <u>330.68</u> |

Share rights

The Ordinary A Shares carry 80% of the economic rights and the Ordinary B shares carry 20% of the economic rights. Each share class represents 50% of the voting rights.

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