

Lola Contracts Limited

Registered number: 10267040

Information for filing with the Registrar

For the period ended 31 December 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	30 June 2020 £
Fixed assets			
Intangible assets	5	-	111,332
Tangible assets	6	-	11,691
		-	123,023
Current assets			
Debtors: amounts falling due within one year	8	175,737	1,640,000
Cash at bank and in hand	9	51,907	1,314,088
		227,644	2,954,088
Creditors: amounts falling due within one year	10	(133,839)	(1,531,571)
Net current assets		93,805	1,422,517
Total assets less current liabilities		93,805	1,545,540
Provisions for liabilities			
Deferred tax	11	-	(24,223)
		-	(24,223)
Net assets		93,805	1,521,317
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account	13	93,795	1,521,307
		93,805	1,521,317

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

A Tate
Director

The notes on pages 3 to 15 form part of these financial statements.

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

1. General information

Lola Contracts Limited (the "Company") is a private company, limited by shares, and registered in England and Wales, registered number 10267040. The registered office is Unit 13, Neepsend Triangle, 1 Burton Road, Sheffield, England, S3 8BW.

In June 2021, the Company extended its accounting period, hence the financial statements have been prepared for a 18 month period to 31 December 2021.

The principal activity in the year was the management of utilities and broadband for shared homes.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company achieved a profit in the period and is in a net asset position at the period end, however the director has declared an intention to dissolve the Company after the reporting period, and has actively sold the assets of the business within the reporting period.

Therefore the Company is not deemed to be a going concern and the accounts have been prepared on the break up basis.

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

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	3	years
Goodwill	-	10	years

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	25% straight line
Office equipment	-	33.3% straight line
Other fixed assets	-	33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

2. Accounting policies (continued)

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the director believes there are no areas of critical judgemental or sources of estimation uncertainty.

4. Employees

The average monthly number of employees, including the director, during the period was as follows:

	2021 No.	2020 No.
	<u>9</u>	<u>31</u>
Average number of employees		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. Intangible assets

	Development £	Goodwill £	Total £
At 1 July 2020	293,186	64,034	357,220
Additions	7,323	-	7,323
Disposals	(300,509)	(64,034)	(364,543)
At 31 December 2021	-	-	-
At 1 July 2020	220,274	25,614	245,888
Charge for the period	28,029	3,201	31,230
On disposals	(248,303)	(28,815)	(277,118)
At 31 December 2021	-	-	-
Net book value			
At 31 December 2021	-	-	-
At 30 June 2020	72,912	38,420	111,332

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

6. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Other fixed assets £	Total £
At 1 July 2020	2,507	9,938	20,170	32,615
Additions	-	-	4,547	4,547
Disposals	(2,507)	(9,938)	(24,717)	(37,162)
At 31 December 2021	-	-	-	-
At 1 July 2020	1,060	9,617	10,247	20,924
Charge for the period	297	121	3,296	3,714
Disposals	(1,357)	(9,738)	(13,543)	(24,638)
At 31 December 2021	-	-	-	-
Net book value				
At 31 December 2021	-	-	-	-
At 30 June 2020	<u>1,447</u>	<u>321</u>	<u>9,923</u>	<u>11,691</u>

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

7. Fixed asset investments

	Investments in subsidiary companies £
Additions	104,220
Disposals	(104,220)
At 31 December 2021	<u>-</u>

8. Debtors

	31 December 2021 £	30 June 2020 £
Trade debtors	344	455,335
Amounts owed by group undertakings	-	1,116,355
Amount owed by connected undertakings	175,353	-
Other debtors	40	33,784
Prepayments and accrued income	-	34,526
	<u>175,737</u>	<u>1,640,000</u>

Amounts owed by group and connected undertakings are unsecured, interest free and repayable on demand.

9. Cash and cash equivalents

	31 December 2021 £	30 June 2020 £
Cash at bank and in hand	<u>51,907</u>	<u>1,314,088</u>

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

10. Creditors: Amounts falling due within one year

	31 December 2021 £	30 June 2020 £
Trade creditors	-	144,566
Amounts owed to group undertakings	9,483	-
Corporation tax	109,918	210,901
Other taxation and social security	4,588	54,013
Other creditors	-	517,200
Accruals and deferred income	9,850	604,891
	<u>133,839</u>	<u>1,531,571</u>

Amounts owed to group undertakings are interest free and repayable on demand.

11. Deferred taxation

	2021 £
At beginning of year	(24,223)
Charged to profit or loss	24,223
At end of year	<u>-</u>

The deferred taxation balance is made up as follows:

	31 December 2021 £	30 June 2020 £
Accelerated capital allowances	-	(19,363)
Short term timing differences	-	(4,860)
	<u>-</u>	<u>(24,223)</u>

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

12. Share capital

	31 December 2021 £	30 June 2020 £
Allotted, called up and fully paid		
10,000 (2020 - 10,000) Ordinary shares of £0.001 each	<u>10</u>	<u>10</u>

13. Reserves

Profit & loss account

This reserves represents cumulative profits and losses.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £66,195 (2020 - £24,166). Contributions totaling £Nil (2020 - £4,523) were payable to the fund at the Statement of Financial Position date and are included in creditors.

15. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2021 £	30 June 2020 £
Not later than 1 year	<u>-</u>	<u>5,000</u>

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

16. Related party transactions

At 31 December 2021 the following balances were due from/(to) related parties (£9,483) (2020: £1,116,355).

During the year, the Company loaned funds of £175,353 (2020: £Nil) to related companies in which A Tate is also a director.

17. Controlling party

The ultimate controlling party is Mr A Tate, through majority ownership of ordinary shares.

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