

Company Registration No. 10850644 (England and Wales)

**THELOGICALLY LTD**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JULY 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# THELOGICALLY LTD

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# THELOGICALLY LTD

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JULY 2020**

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The directors present their annual report and financial statements for the year ended 30 July 2020.

### **Principal activities**

The principal activity of the company is that of the design of bespoke data analysing and processing software.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

L Jain

Mr A K Kumaraswamy

(Appointed 17 April 2020)

### **Future developments**

Funding has been secured post year end which gives the company sufficient cash runway to continue its growth strategy, therefore, the Directors are of the opinion that there is sufficient resources for the company to meet its obligations for a period of at least 12 months from the date of these financial statements.

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

L Jain

**Director**

27 April 2021

# THELOGICALLY LTD

## BALANCE SHEET

AS AT 30 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	4		133,788		203,645
<b>Current assets</b>					
Debtors	5	467,203		158,507	
Cash at bank and in hand		1,027,395		40,828	
		<u>1,494,598</u>		<u>199,335</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(4,211,558)</u>		<u>(2,543,676)</u>	
<b>Net current liabilities</b>			(2,716,960)		(2,344,341)
<b>Total assets less current liabilities</b>			<u>(2,583,172)</u>		<u>(2,140,696)</u>
<b>Capital and reserves</b>					
Called up share capital	7		188,751		124,001
Share premium account			3,411,248		976,000
Profit and loss reserves			<u>(6,183,171)</u>		<u>(3,240,697)</u>
<b>Total equity</b>			<u>(2,583,172)</u>		<u>(2,140,696)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 27 April 2021 and are signed on its behalf by:

L Jain  
**Director**

**Company Registration No. 10850644**

# THELOGICALLY LTD

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JULY 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 31 July 2018</b>		124,001	976,000	(868,398)	231,603
<b>Year ended 30 July 2019:</b>					
Loss and total comprehensive income for the year		-	-	(2,372,299)	(2,372,299)
<b>Balance at 30 July 2019</b>		124,001	976,000	(3,240,697)	(2,140,696)
<b>Year ended 30 July 2020:</b>					
Loss and total comprehensive income for the year		-	-	(2,942,474)	(2,942,474)
Issue of share capital	7	64,750	2,435,248	-	2,499,998
<b>Balance at 30 July 2020</b>		188,751	3,411,248	(6,183,171)	(2,583,172)

# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JULY 2020**

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### **1 Accounting policies**

#### **Company information**

Thelogically Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Brookfoot Industrial Estate, Brookfoot, Brighouse, West Yorkshire, HD6 2RW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with continuing support from its members. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised once the service has been provided in accordance with the service agreement.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line basis
Fixtures and fittings	3 years straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash at bank.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes 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 an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements 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.

# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial 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.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**



# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	18	18

### 3 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on loss for the current period	(457,655)	-
Benefit arising from a previously unrecognised tax loss or credit	(421,227)	-
Total current tax	(878,882)	-

Tax losses have been surrendered for Research and Development tax credits. The balance of unrelieved tax losses have been carried forward to be utilised in subsequent accounting periods.

# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

### 4 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 31 July 2019	315,500	40,020	355,520
Additions	-	6,438	6,438
At 30 July 2020	315,500	46,458	361,958
<b>Depreciation and impairment</b>			
At 31 July 2019	126,200	25,675	151,875
Depreciation charged in the year	63,100	13,195	76,295
At 30 July 2020	189,300	38,870	228,170
<b>Carrying amount</b>			
At 30 July 2020	126,200	7,588	133,788
At 30 July 2019	189,300	14,345	203,645

### 5 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	467,203	158,507

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Other borrowings	1,967,724	1,750,000
Trade creditors	330,135	169,342
Taxation and social security	13,170	35,048
Other creditors	1,895,819	501,922
Accruals	4,710	87,364
	4,211,558	2,543,676

Other borrowings represents an unsecured loan from an unconnected party on which interest is being charged at a commercial rate of 7%.

Other creditors includes an unsecured loan from a related party of £1,400,241 (2019 - £500,000).

# THELOGICALLY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

### 7 Called up share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
124,001 Ordinary shares of £1 each	124,001	124,001
64,750 (2019: 0) A Ordinary shares of £1 each	64,750	-
	<u>188,751</u>	<u>124,001</u>

All classes of ordinary shares rank pari passu.

#### Reconciliation of movements during the year:

	Ordinary Number	A Ordinary Number
At 31 July 2019	124,001	-
Issue of fully paid shares	-	64,750
At 30 July 2020	<u>124,001</u>	<u>64,750</u>

On 17th April 2020, the company issued 64,750 A Ordinary shares of £1 per share. These shares were issued at a premium of £37.61 per share totalling £2,435,248.

### 8 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020 £	2019 £
300,000	420,000

### 9 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
<b>Amounts due to related parties</b>		
Eliza Tinsley UK Limited	<u>1,400,241</u>	<u>500,000</u>

## THELOGICALLY LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2020

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**9 Related party transactions** (Continued)

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	£	£
Avocet Hardware (UK) Ltd	-	30,886
Eliza Tinsley Limited	-	100,000
	<u>          </u>	<u>          </u>

**10 Controlling party**

The ultimate controlling party is L Jain by virtue of his shareholding in the company.

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.