

KINO-MO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

KINO-MO LTD

COMPANY INFORMATION

Directors	Artsiom Stavenka Kirył Chykeyuk Olga Kiseleva Harold Primat (appointed 11 January 2022) Ala Dziamidava (appointed 20 April 2022)
Registered number	07517352
Registered office	Unit 12.3.1 The Leather Market Weston Street London SE1 3ER
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

KINO-MO LTD

CONTENTS

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10 - 11
Consolidated statement of changes in equity	12 - 13
Company statement of changes in equity	14 - 15
Consolidated Statement of cash flows	16 - 17
Notes to the financial statements	18 - 36

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal activity

The principal activity of the group is providing tailored advertising solutions with unique technology for outdoor advertising.

Business review

The directors of the company are pleased with its performance during the 12 months period ended 31st December 2021 and report that there is continued growth in all key areas of the business. The company continued to show strong growth and demand for its services.

Key Performance Indicators

The directors regard turnover, gross and operating profit as being the main KPI's for the business. Turnover of £3.8m, which is 11% higher than previous year (2020: £3.4m); with gross profit of £2.7m, which is 17% higher than previous year (2020: £2.3m), and gross profit margin of 70%.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on company's long term performance. These risks are monitored by the Board on regular basis. The Board and management team consider the risk implications of all significant business decisions and risks are re-assessed on a regular basis to ensure that any changes in the company's operations, or the external environment, are identified and appropriately managed. The key risks affecting the business are as follows:

Operating risk - The company's reputation and continued success depends on its ability to provide services to customers safely, efficiently and cost effectively.

Market risk - The market in which the company operates is specialised and the company maintains its competitive advantage by providing high level of customer service. The company keeps abreast of developments in the market by maintaining good relationship with existing and potential customers.

Personnel risk - The company places great emphasis on recruiting, training and retaining high quality competent staff.

Financial risk - The company carries out financial monitoring, forecasting and planning are continuous process, with particular emphasis on balancing the maintenance of the gross profits margin with the delivery of a high quality service to customers.

This report was approved by the board on 22 November 2022 and signed on its behalf.

Kiryl Chykeyuk
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £2,587,081 (2020 - loss £2,374,568).

Directors

The directors who served during the year were:

Artsiom Stavenka
Kirył Chykeyuk
Olga Kiseleva

Future developments

The sanctions against Belarus introduced in 2022 mainly concern the public sector and state-owned companies. The Belarusian subsidiary does not interact with government customers or suppliers. In addition, due to the fact that the Belarusian subsidiary has no customers (except for the parent company), there are no risks of losing customers or staff due to lack of sales. It is possible that in case of tougher sanctions, the company will not be able to sell its products on the Belarusian and Russian markets, but their share in the sales structure by the end of 2020-2021 is about 1%. Thus, the impact of sanctions should not seriously affect the activities of the group of companies

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 November 2022 and signed on its behalf.

Kiryl Chykeyuk
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINO-MO LTD

Opinion

We have audited the financial statements of Kino-mo Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINO-MO LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINO-MO LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company including its management structure and control systems (including the opportunity for management to override such controls); and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation and distributable profits legislation;
- the timing of the recognition of commercial income;
- management bias in selecting accounting policies and determining estimates;
- inappropriate journal entries; and
- recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;

obtaining an understanding of the relevant controls and testing their operation during the period;

- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- challenging assumptions made by management in their specific accounting policies and estimates;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINO-MO LTD (CONTINUED)

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue or cash;
- assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Atulya Mehta FCCA (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

14th Floor
33 Cavendish Square
London
W1G 0PW

22 November 2022

KINO-MO LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	3,798,236	3,414,164
Cost of sales		(1,133,662)	(1,132,729)
Gross profit		<u>2,664,574</u>	<u>2,281,435</u>
Distribution costs		(958,408)	(653,823)
Administrative expenses		(4,005,822)	(4,824,245)
Other operating income	5	29,107	66,900
Operating loss	6	<u>(2,270,549)</u>	<u>(3,129,733)</u>
Interest receivable and similar income	10	15,439	(141)
Interest payable and similar expenses	11	(647,880)	(208,685)
Loss before tax		<u>(2,902,990)</u>	<u>(3,338,559)</u>
Tax on loss	12	315,909	963,991
Loss for the financial year		<u>(2,587,081)</u>	<u>(2,374,568)</u>
Loss for the year attributable to:			
Owners of the parent		(2,587,081)	(2,374,568)
		<u>(2,587,081)</u>	<u>(2,374,568)</u>

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD
REGISTERED NUMBER: 07517352

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	84	728
Tangible assets	14	214,067	247,952
		<u>214,151</u>	<u>248,680</u>
Current assets			
Stocks	16	3,876,343	3,627,566
Debtors: amounts falling due within one year	17	2,147,187	1,860,242
Cash at bank and in hand	18	866,210	4,928,285
		<u>6,889,740</u>	<u>10,416,093</u>
Creditors: amounts falling due within one year	19	(4,174,829)	(5,448,968)
Net current assets		<u>2,714,911</u>	<u>4,967,125</u>
Total assets less current liabilities		<u>2,929,062</u>	<u>5,215,805</u>
Creditors: amounts falling due after more than one year		(7,197,433)	(7,671,495)
Provisions for liabilities			
Other provisions	23	(10,798)	(37,488)
		<u>(10,798)</u>	<u>(37,488)</u>
Net liabilities		<u>(4,279,169)</u>	<u>(2,493,178)</u>
Capital and reserves			
Called up share capital	24	13	12
Share premium account		1,226,229	449,999
Other reserves		(89,628)	(114,487)
Profit and loss account		(5,415,783)	(2,828,702)
		<u>(4,279,169)</u>	<u>(2,493,178)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2022.

Kiryl Chykeyuk
Director

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD
REGISTERED NUMBER: 07517352

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	65,053	25,749
Investments	15	2,246	2,246
		<u>67,299</u>	<u>27,995</u>
Current assets			
Stocks	16	3,869,793	3,625,335
Debtors: amounts falling due within one year	17	2,092,706	1,814,403
Cash at bank and in hand	18	812,421	4,826,992
		<u>6,774,920</u>	<u>10,266,730</u>
Creditors: amounts falling due within one year	19	(5,005,673)	(5,949,351)
Net current assets		<u>1,769,247</u>	<u>4,317,379</u>
Total assets less current liabilities		<u>1,836,546</u>	<u>4,345,374</u>
Creditors: amounts falling due after more than one year		(7,197,433)	(7,671,495)
Provisions for liabilities			
Other provisions		(10,798)	(37,488)
		<u>(10,798)</u>	<u>(37,488)</u>
Net assets excluding pension asset		<u>(5,371,685)</u>	<u>(3,363,609)</u>
Net liabilities		<u>(5,371,685)</u>	<u>(3,363,609)</u>
Capital and reserves			
Called up share capital	24	13	12
Share premium account		1,226,229	449,999
Profit and loss account brought forward		(3,813,620)	(1,301,741)
Loss for the year		(2,784,307)	(2,511,879)
Profit and loss account carried forward		(6,597,927)	(3,813,620)
		<u>(5,371,685)</u>	<u>(3,363,609)</u>

KINO-MO LTD
REGISTERED NUMBER: 07517352

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2022.

Kiryl Chykeyuk
Director

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Exchange rate reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	12	449,999	(114,487)	(2,828,702)	(2,493,178)
Loss for the year	-	-	-	(2,587,081)	(2,587,081)
Other comprehensive income	-	-	24,859	-	24,859
Shares issued during the year	1	776,230	-	-	776,231
At 31 December 2021	13	1,226,229	(89,628)	(5,415,783)	(4,279,169)

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Exchange rate reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020 (as previously stated)	12	449,999	(48,385)	(4,370,075)	(3,968,449)
Prior year adjustment	-	-	-	3,915,941	3,915,941
At 1 January 2020 (as restated)	12	449,999	(48,385)	(454,134)	(52,508)
Loss for the year	-	-	-	(2,374,568)	(2,374,568)
Other comprehensive income	-	-	(66,102)	-	(66,102)
At 31 December 2020	12	449,999	(114,487)	(2,828,702)	(2,493,178)

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	12	449,999	(3,813,620)	(3,363,609)
Loss for the year	-	-	(2,784,307)	(2,784,307)
Contributions by and distributions to owners				
Shares issued during the year	1	776,230	-	776,231
At 31 December 2021	<u>13</u>	<u>1,226,229</u>	<u>(6,597,927)</u>	<u>(5,371,685)</u>

The notes on pages 18 to 36 form part of these financial statements.

KINO-MO LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020 (as previously stated)	12	449,999	(5,217,682)	(4,767,671)
Prior year adjustment	-	-	3,915,941	3,915,941
At 1 January 2020 (as restated)	12	449,999	(1,301,741)	(851,730)
Loss for the year	-	-	(2,511,879)	(2,511,879)
At 31 December 2020	12	449,999	(3,813,620)	(3,363,609)

The notes on pages 18 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(2,587,081)	(2,374,568)
Adjustments for:		
Amortisation of intangible assets	8,096	32,890
Depreciation of tangible assets	102,753	97,270
Government grants	(29,107)	-
Interest paid	647,880	208,685
Interest received	(15,439)	141
Taxation charge	(315,909)	(963,991)
(Increase)/decrease in stocks	(248,777)	599,791
(Increase)/decrease in debtors	(453,555)	443,616
Increase/(decrease) in creditors	87,226	(379,542)
(Decrease) in provisions	(26,690)	(4,249)
Corporation tax received	542,480	-
Foreign currency translation gain loss	(24,859)	66,102
Decrease other translation differences	(46,167)	16,891
Decrease/increase in deferred income	(215,452)	(382,732)
Bad Debts	-	90,161
Corporation tax paid	(45,718)	-
Net cash generated from operating activities	<u>(2,620,319)</u>	<u>(2,549,535)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(14,426)
Purchase of tangible fixed assets	(69,396)	(48,560)
Government grants received	29,107	66,900
Interest received	15,439	(141)
Net cash from investing activities	<u>(24,850)</u>	<u>3,773</u>
Cash flows from financing activities		
Issue of preference shares	776,231	-
Other new loans	-	7,928,851
Repayment of other loans	(1,545,257)	-
Interest paid	(647,880)	(208,685)
Repayment of other borrowings	-	(693,428)
Net cash used in financing activities	<u>(1,416,906)</u>	<u>7,026,738</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4,062,075)</u>	<u>4,480,976</u>

KINO-MO LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash and cash equivalents at beginning of year	4,928,285	447,309
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	866,210	4,928,285
	<hr/>	<hr/>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	866,210	4,928,285
	<hr/>	<hr/>
	866,210	4,928,285
	<hr/>	<hr/>

The notes on pages 18 to 36 form part of these financial statements.

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

1. General information

The company is a private company limited by share capital, incorporated in United Kingdom. The address of its registered office is Unit 12.3.1 The Leather Market, Weston Street, London, SE1 3ER

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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.

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 Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Software and services:

Perpetual SaaS services - Revenue is recognized from the moment client is granted an access to services.

Revenue is deferred based on the expected cost of the services under the agreement, together with a reasonable profit on those services.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Taxation

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 balance sheet date in the countries where the Company and the Group operate and generate income.

2.11 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.

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 and fittings	-	25%	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 YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 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.

2.16 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance sheet.

2.19 Financial instruments

The Group 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.

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

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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 Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

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

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors believe the key estimates and judgements for the preparation of the accounts are as follows:

Revenue Recognition

Software services revenue is deferred based on the expected cost of the services under the agreement, together with a reasonable profit on those services. The expected cost of providing the services are based on estimates based on the historical costs.

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods and provision of services	3,798,236	3,414,164
	<u>3,798,236</u>	<u>3,414,164</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,798,236	3,414,164
	<u>3,798,236</u>	<u>3,414,164</u>

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>29,107</u>	<u>66,900</u>

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	<u>114,397</u>	<u>164,517</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2021 £	2020 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	20,000	20,000

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,292,981	3,216,672	988,261	558,124
Cost of defined contribution scheme	5,697	3,115	5,697	3,115
	<u>3,298,678</u>	<u>3,219,787</u>	<u>993,958</u>	<u>561,239</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Employees	<u>108</u>	<u>111</u>	<u>7</u>	<u>6</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>17,658</u>	<u>17,492</u>

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>15,439</u>	<u>(141)</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	<u>647,880</u>	<u>208,685</u>

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

12. Taxation

	2021	2020
	£	£
Corporation tax		
Adjustments in respect of previous periods	(346,540)	(989,496)
	<u>(346,540)</u>	<u>(989,496)</u>
Foreign tax		
Foreign tax on income for the year	30,631	25,505
	<u>30,631</u>	<u>25,505</u>
Total current tax	<u>(315,909)</u>	<u>(963,991)</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(315,909)</u>	<u>(963,991)</u>

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

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(2,902,990)</u>	<u>(3,338,559)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(551,568)	(634,326)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,860	443
Capital allowances for year in excess of depreciation	(11,417)	(239)
Utilisation of tax losses	-	(79,583)
Adjustments to tax charge in respect of prior periods	-	744,029
Other timing differences leading to an increase (decrease) in taxation	-	20,686
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(346,540)	(989,496)
Unrelieved tax losses carried forward	594,861	-
Other differences leading to an increase (decrease) in the tax charge	27,526	-
Tax increase arising from overseas tax suffered/expensed	(30,631)	(25,505)
Total tax charge for the year	<u><u>(315,909)</u></u>	<u><u>(963,991)</u></u>

Factors that may affect future tax charges

Enter details here

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

13. Intangible assets**Group and Company**

	Development expenditure	Computer software	Total
	£	£	£
Cost			
At 1 January 2021	31,024	95,639	126,663
Foreign exchange movement	-	18	18
	<hr/>	<hr/>	<hr/>
At 31 December 2021	31,024	95,657	126,681
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 January 2021	31,024	94,911	125,935
Charge for the year on owned assets	-	662	662
	<hr/>	<hr/>	<hr/>
At 31 December 2021	31,024	95,573	126,597
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2021	<hr/> -	<hr/> 84	<hr/> 84
At 31 December 2020	<hr/> -	<hr/> 728	<hr/> 728

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

14. Tangible fixed assets**Group**

	Fixtures and fittings £
Cost or valuation	
At 1 January 2021	554,956
Additions	69,396
Disposals	(9,086)
Exchange adjustments	5,718
	<hr/>
At 31 December 2021	620,984
	<hr/>
Depreciation	
At 1 January 2021	307,004
Charge for the year on owned assets	104,840
Disposals	(4,927)
	<hr/>
At 31 December 2021	406,917
	<hr/>
Net book value	
At 31 December 2021	<u>214,067</u>
At 31 December 2020	<u>247,952</u>

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

14. Tangible fixed assets (continued)**Company**

	Fixtures and fittings £
Cost or valuation	
At 1 January 2021	62,342
Additions	59,640
Disposals	(9,086)
	<hr/>
At 31 December 2021	112,896
	<hr/>
Depreciation	
At 1 January 2021	36,593
Charge for the year on owned assets	16,177
Disposals	(4,927)
	<hr/>
At 31 December 2021	47,843
	<hr/>
Net book value	
At 31 December 2021	<u>65,053</u>
At 31 December 2020	<u><u>25,749</u></u>

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

15. Fixed asset investments**Company**

**Investments in
subsidiary
companies
£**

Cost or valuation

At 1 January 2021 2,246

At 31 December 2021 2,246

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Kino-Mo Technologies LLC	Belarus		100
		Ordinary	%
UAB 'Kino-mo servisas'	Lithuania		100
		Ordinary	%

16. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other inventories	<u>3,876,343</u>	<u>3,627,566</u>	<u>3,869,793</u>	<u>3,625,335</u>

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

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	374,603	205,080	361,102	205,080
Other debtors	360,456	54,779	350,197	52,553
Prepayments and accrued income	74,662	96,307	43,941	52,694
Tax recoverable	1,337,466	1,504,076	1,337,466	1,504,076
	<u>2,147,187</u>	<u>1,860,242</u>	<u>2,092,706</u>	<u>1,814,403</u>

18. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	866,210	4,928,285	812,421	4,826,992
	<u>866,210</u>	<u>4,928,285</u>	<u>812,421</u>	<u>4,826,992</u>

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	1,388,192	2,550,754	1,388,192	2,550,754
Trade creditors	464,148	247,035	453,983	236,905
Amounts owed to group undertakings	-	-	1,179,891	946,859
Corporation tax	16,649	13,268	-	-
Other taxation and social security	7,165	9,001	7,165	8,340
Other creditors	25,366	28,884	24,323	27,583
Accruals and deferred income	2,273,309	2,600,026	1,952,119	2,178,910
	<u>4,174,829</u>	<u>5,448,968</u>	<u>5,005,673</u>	<u>5,949,351</u>

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

20. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	<u>7,197,433</u>	<u>7,671,495</u>	<u>7,197,433</u>	<u>7,671,495</u>

21. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Other loans	1,388,192	2,550,754	1,388,192	2,550,754
Amounts falling due 2-5 years				
Other loans	7,197,433	7,671,495	7,197,433	7,671,495
	<u>7,197,433</u>	<u>7,671,495</u>	<u>7,197,433</u>	<u>7,671,495</u>
	<u>8,585,625</u>	<u>10,222,249</u>	<u>8,585,625</u>	<u>10,222,249</u>

22. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised costs	<u>735,497</u>	<u>259,859</u>	<u>711,299</u>	<u>257,633</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(9,082,304)</u>	<u>(10,507,169)</u>	<u>(10,250,987)</u>	<u>(11,441,936)</u>

KINO-MO LTD

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

23. Provisions

Group

Warranties
£

At 1 January 2021	37,488
Charged to profit or loss	(26,690)
	<hr/>
At 31 December 2021	<u>10,798</u>

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

23. Provisions (continued)**Company**

	Warranties	Total
	£	£
At 1 January 2021	37,488	37,488
Charged to profit or loss	(26,690)	(26,690)
	<u>10,798</u>	<u>10,798</u>
At 31 December 2021	<u>10,798</u>	<u>10,798</u>

24. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
12,317,331 (2020 - 12,000,000) Ordinary shares of £0.000001 each	12	12
367,010 (2020 -) Preference shares of £0.000001 each	1	-
	<u>13</u>	<u>12</u>

During the year 367,010 preference shares were issued at a nominal value of £0.000001. A premium of £776,230 was paid.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £5,697 (2020 - £3,115). Contributions totalling £1,203 (2020 - £706) were payable to the fund at the balance sheet date and are included in creditors.

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

26. Commitments under operating leases

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	231,500	256,905	35,556	60,961
Later than 1 year and not later than 5 years	65,902	297,574	-	35,729
	<u>297,402</u>	<u>554,479</u>	<u>35,556</u>	<u>96,690</u>

27. Related party transactions

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

Details of transactions between the Company and its related parties are disclosed below:

At the year end the company was owed £1,179,435 (2020: £946,394) to its subsidiaries.

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.