Registered number: 13587156

Fonua (UK) Limited

Directors' Report and Financial Statements

For the Year Ended 30 June 2024

Fonua (UK) Limited

Contents

Fonua (UK) Limited

Company Information

Directors	Fergus De Búrca Josephine Tierney
Company secretary	Josephine Tierney
Registered number	13587156
Registered office	30 Old Bailey London United Kingdom EC4M 7AU
Independent auditors	Forvis Mazars Chartered Accountants & Statutory Audit Firm Block 3, Harcourt Centre Harcourt Road Dublin 2
Bankers	Allied Irish Bank Unit 33 Blackthorn Rd Sandyford Business Park Dublin 18
	Allied Irish Bank 92 Ann Street Belfast
Solicitors	LK Shields Solicitors 39 - 40 Upper Mount Street Dublin 2

Strategic Report
For the Year Ended 30 June 2024

Introduction

The directors present their strategic report for the year ended 30 June 2024.

Business review

The company's turnover increased by 27% from £15,441,161 to £19,655,584 for the year ended 30 June 2024. The Gross Margin increased in the year to £2,847,935 from £1,130,990. Profit after tax was £682,728 (2023: Loss £286,944).

The Company's core objective is to optimise our partners' distribution requirements through innovative products and services. As a specialist in outsourced management, the Company excels in Device Supply Chain Management and Ownership, offering best-in-class processes, systems and IT solutions. Fonua UK, was recognised as the Best Accessory Mobile Distributor in the UK in 2024.

Aligned with its environmental commitment, the Company has established trade-in programmes that support both retail and enterprise customers in reducing their environmental impact, particularly by decreasing electronic waste. Through the Company's trade-in solutions, customers are able to return used devices, which are then sold under our second-hand device brand, Mint+, establishing a full circular economy.

The Company's success is underpinned by an experienced Director team, efficient support functions, and a skilled management team, ensuring operational excellence and positioning the Company for continued growth and market leadership.

The Directors express confidence in the Company's growth strategy, which includes expanding into new markets and enhancing services for current customers. An ERP system upgrade, anticipated for completion by June 2025, will support these ambitions by streamlining operations and enhancing reporting capabilities, enabling the Company to deliver high-value services and insights to its customers.

On 29 June 2024 Fonua UK Limited, completed a business transfer agreement where it acquired the business of Bluechipworld Sales and Marketing Limited. It acquired the assets and liabilities as a going concern and the trade of Bluechipworld Sales and Marketing Limited is now undertaken by Fonua UK Limited.

Non-financial and sustainability information statement

Conformity with all Health & Safety requirements across clients, staff and contractors. Conformance with GDPR and data security.

Strategic Report (continued)
For the Year Ended 30 June 2024

Principal risks and uncertainties

In the normal course of business, the company is exposed to fluctuations in exchange rates, interest rates and changes to the price of inputs.

Financial Risk Management
The company's principal financial instruments comprise invoice discounting facilities, finance leases and hire purchase contracts, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial assets and liabilities such as trade receivables and trade payables, which directly arise from its operations.

Price Risk
The company is exposed to price risk in relation to sub-contractors and raw materials. The company has in place policies and procedures approved by the board to mitigate these risks. The directors will revisit the appropriateness of these policies should the company's operations change in size or nature.

Foreign Exchange Risk
The company is exposed to foreign exchange risk in the normal course of business. The company's policy on mitigating the effect of this exposure is to hedge receivables against payables in foreign currency on an ongoing basis.

Credit Risk
The company has implemented policies that require the appropriate checks on potential customers before sales are made.

Liquidity Risk
The company actively maintains a mix of finance that is designed to ensure the company has sufficient available funds for operations and planned expenditure.

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

Fergus De Búrca
Director

Date: 15 January 2025

Fonua (UK) Limited

Directors' Report
For the Year Ended 30 June 2024

The directors present their report and the for the year ended 30 June 2024.

Principal activity

The principal activity of the company is foremost a solutions provider to the Mobile Telecommunications industry.

Results and dividends

The profit for the year, after taxation, amounted to £682,728 (2023 - loss £286,944).

The directors did not recommend payment of a dividend.

Directors

The directors who served during the year were:

Fergus De Búrca
Josephine Tierney

Holding company

The company is a wholly owned subsidiary of Corstrom Limited. Balable Limited and Corstrom (Nominees) own 91% and 9% of the share capital of Corstrom Limited respectively.

Political contributions

The company made no political contributions during the year.

Future developments

The company plans to continue its present activities and current trading levels.

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'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's auditors are aware of that information.

Directors' Report (continued)
For the Year Ended 30 June 2024

Events since the year end

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

Auditors

The auditors, Forvis Mazars, who were appointed as first auditors of the company, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Fergus De Búrca
Director

Date: 15 January 2025

Directors' Responsibilities Statement
For the Year Ended 30 June 2024

The directors are responsible for preparing the in accordance with applicable law and regulations.

Company law requires the directors to prepare for each financial year. Under that law the directors have elected to prepare the 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 unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

forv/s
mazars

Independent Auditors' Report to the Members of Fonua (UK) Limited

Opinion

We have audited the financial statements of Fonua (UK) Limited (the 'company') for the year ended 30 June 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 company's affairs as at 30 June 2024 and of its profit 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 company 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 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.

forv/s
mazars

Independent Auditors' Report to the Members of Fonua (UK) Limited (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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

forv/s
mazars

Independent Auditors' Report to the Members of Fonua (UK) Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of the sector;
- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

forv/s mazars

Independent Auditors' Report to the Members of Fonua (UK) Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Lorcan Colclough
Senior Statutory Auditor
For and on behalf of
Forvis Mazars
Chartered Accountants
& Statutory Audit Firm
Block 3, Harcourt Centre
Harcourt Road
Dublin 2

15 January 2025

Statement of Comprehensive Income
For the Year Ended 30 June 2024

	Note	2024 £	2023 £
Turnover	4	19,655,584	15,441,161
Cost of sales		(16,807,649)	(14,310,671)
Gross profit		2,847,935	1,130,490
Administrative expenses		(1,707,583)	(1,160,417)
Operating profit/(loss)		1,140,352	(29,927)
Interest payable and similar expenses	6	(457,624)	(257,017)
Profit/(loss) before tax		682,728	(286,944)
Tax on profit/(loss)	9	-	-
Profit/(loss) for the financial year		682,728	(286,944)

Fonua (UK) Limited
Registered number:13587156

Statement of Financial Position
As at 30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	10	5,000	-
Tangible assets	11	119,571	-
		124,571	-
Current assets			
Stocks	12	5,517,357	6,808,408
Debtors	13	3,167,382	6,487,049
Cash at bank and in hand	14	336,382	-
		9,021,121	13,295,457
Creditors: amounts falling due within one year	15	(9,761,831)	(13,541,971)
Total assets less current liabilities		(616,139)	(246,514)
Net liabilities		(616,139)	(246,514)
Capital and reserves			
Called up share capital	17	1	1
Merger reserve	18	(1,052,353)	-
Profit and loss account	18	436,213	(246,515)
		(616,139)	(246,514)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 January 2025.

Fergus De Búrca
Director

Statement of Changes in Equity
For the Year Ended 30 June 2024

	Called up share capital	Other reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 June 2022	1	-	40,429	40,430
Loss for the year	-	-	(286,944)	(286,944)
At 30 June 2023	1	-	(246,515)	(246,514)
Profit for the year	-	-	682,728	682,728
Arising on merger	-	(1,052,353)	-	(1,052,353)
At 30 June 2024	1	(1,052,353)	436,213	(616,139)

The notes on pages 14 to 27 form part of these financial statements.

1. General information

Fónua (UK) Limited is a private company limited by shares incorporated in the United Kingdom. The Registered Office is 30 Old Bailey, London, United Kingdom, EC4M 7AU.

The principal activity of the company is foremost a solutions provider to the Mobile Telecommunications industry.

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 judgement in applying the company's accounting policies (see note 3).

The company has taken advantage of the following exemptions:
i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of Balable Limited, includes the company's cash flows;
ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information is provided in the consolidated financial statements disclosures;
iii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 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 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'.

2.3 Revenue

Revenue comprises amounts invoiced by the company in respect of goods supplied and services delivered, exclusive of value added tax.

Revenue is recognised to the extent that it is capable of reliable measurement, that it is possible that economic benefits will flow to the entity and that the significant risks and regards of ownership have passed to the purchaser.

For certain customer contracts, revenue in the form of marketing and other support is deferred and recognised when the related units are subsequently sold and services rendered.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

2.5 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. Accounting policies (continued)

2.6 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 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 company's cash management.

2.7 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.

2.8 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.

2.9 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.

2.10 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Related Party transactions

The company avails of the exemption contained in FRS 102 Section 33 and does not disclose transactions entered into between wholly owned members of the group, transactions with entities not wholly group owned are disclosed in accordance with the accounting standards and Companies Act 2014.

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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:

Plant and machinery	-	33%
Motor vehicles	-	33%
Fixtures and fittings	-	20%
Computer equipment	-	33%

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.

2. Accounting policies (continued)

2.15 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the company's Statement of Financial Position 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

The company makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources in the application of the company accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable in the circumstances. Actual results may differ from estimates. The directors are of the view that there are no critical accounting judgements in the period.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Inventory valuation method
Inventory is valued at the lower of cost and net realisable value. Management reviews the company's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the company's results, cash flows and financial position. The carrying amount of the company's inventory as at 30 June 2024 was £5,517,357 There was no allowance made on inventory for the period ended 30 June 2024.

4. Turnover

	2024 £	2023 £
Turnover	19,655,584	15,441,161
	19,655,584	15,441,161

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2024 £	2023 £
Depreciation expense	17,217	6,758
Exchange differences	11,204	4,446
Other operating lease rentals	18,000	-

6. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	457,624	257,017

7. Employees

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	795,719	991,586
Social security costs	72,465	37,424
Cost of defined contribution scheme	15,172	13,468
	883,356	1,042,478

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

	2024 No.	2023 No.
Administration	12	6

8. Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	10,500	10,500

9. Taxation

	2024 £	2023 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on profit/(loss)	-	-

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2023 - the same as) the standard rate of corporation tax in the UK of 25% (2023 - 25%) as set out below:

	2024 £	2023 £
Profit/(loss) on ordinary activities before tax	682,728	(286,945)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19% & 25%)	170,682	(71,736)
Effects of:		
Trading losses brought forward	(71,736)	-
Group relief	(98,946)	-
Tax effect on profits subject to different tax rate	-	(7,465)
Non-deductible expenses	-	79,514
Marginal relief	-	(313)
Total tax charge for the year	-	-

10. Intangible assets

	Trademarks £
Cost	
Additions	5,000
At 30 June 2024	5,000
Net book value	
At 30 June 2024	5,000
At 30 June 2023	-

Notes to the Financial Statements
For the Year Ended 30 June 2024

11. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
Additions	57,450	31,649	43,011	11,436	143,546
At 30 June 2024	57,450	31,649	43,011	11,436	143,546
Depreciation					
Charge for the year	11,990	11,985	-	-	23,975
At 30 June 2024	11,990	11,985	-	-	23,975
Net book value					
At 30 June 2024	45,460	19,664	43,011	11,436	119,571
At 30 June 2023	-	-	-	-	-

12. Stocks

	2024 £	2023 £
Inventory	5,517,357	6,808,408

13. Debtors

	2024 £	2023 £
Trade debtors	2,968,314	4,821,762
VAT recoverable	-	1,665,287
Prepayments and accrued income	199,068	-
	3,167,382	6,487,049

14. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	336,382	-

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,002,504	1,429,067
Accruals	245,389	209,476
Amounts owed to group undertakings	6,368,982	9,300,647
Other taxation and social security	349,026	-
Overdraft	795,930	2,602,781
	9,761,831	13,541,971

Trade creditors
Certain trade creditors provide for a reservation of title clause in their terms and conditions of sale.

Amounts owed to group undertakings
The amounts due from group undertakings are unsecured, interest-bearing and repayable on demand. These amounts are not expected to be called upon within 12 months.

16. Financial instruments

	2024 £	2023 £
Financial assets		
Trade debtors	2,968,314	4,821,762
Financial liabilities		
Trade creditors	2,002,504	1,429,067
Overdraft	795,930	2,602,781

17. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
1 (2023 - 1) Ordinary shares share of £1.00	1	1

18. Reserves

Merger Reserve

The other reserve represents a merger reserve as a result of the business transfer agreement with Bluechipworld Sales and Marketing Limited.

Profit and loss account

The profit and loss account represents cumulative gains and losses recognised, net of transfers to/from other reserves.

19. Holding company

The company is a wholly owned subsidiary of Corstorm Limited a company incorporated in the Republic of Ireland, who in turn is a wholly owned by Balable Limited. The company regards Corstrom Limited as its parent company and regards Balable Limited as its ultimate holding company.

20. Group membership

The company is a subsidiary of Balable Limited, a company incorporated in the Republic of Ireland.

Fonua UK Limited has not presented a separate cash flow statement as it has availed of the exemption available to qualifying entites under Section 1.12(b) of FRS102.

The exemption is available as Fonua UK Limited is a member of Balable Limited which itself prepares publicly available consolidated financial statements intended to give a true and fair view and Fonua UK Limited is itself included in those consolidated financial statements.

Fonua UK Limited has not made disclosures in respect of those basic financial instruments and key management personnel as it has availed of the exemption available to qualifying entities under section 1.12(c & e) and the equivalent disclosures are included in the consolidated financial statements of Balable Limited in which Fonua UK Limited is consolidated.

Copies of the consolidated financial statements of Balable Limited are available from:

The Company Secretary
Balable Limited
Cairn House,
South County, Business Park,
Leopardstown,
Dublin 18

21. Related party transactions

Ultimate controlling party
The company is a wholly owned subsidiary of Corstorm Limited a company incorporated in the Republic of Ireland, who in turn is a wholly owned by Balable Limited. The company regards Corstrom Limited as its parent company and regards Balable Limited as its ultimate holding company.

Amounts due to/from group companies
The company is a wholly owned subsidiary of Corstorm Limited. In the normal course of business the company undertakes transactions with Corstorm Limited and its subsidiary companies. The consolidated financial statements of Balable Limited will be publicly available and consequently the company is availing of the exemption contained in FRS 102 Section 33 Related Party Disclosures and is not disclosing its transactions between wholly owned group companies.

On 29 June 2024 Fonua UK Limited, completed a business transfer agreement where it acquired the business of Bluechipworld Sales and Marketing Limited. It acquired the assets and liabilities as a going concern and the trade of Bluechipworld Sales and Marketing Limited is now undertaken by Fonua UK Limited.

22. Post balance sheet events

There were no post balance sheet events between the year end and the date of signing of the financial statements affecting the Company which require disclosure.

23. Approval of financial statements

The board of directors approved these financial statements for issue on 15 January 2025.