

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020

PROACTIVE INVESTORS
LIMITED

MENZIES

PROACTIVE INVESTORS LIMITED

COMPANY INFORMATION

Directors	C Ribton I McLelland I Lyall
Registered number	5639690
Registered office	Unit 6, The Business Centre Wool House 74 Back Church Lane London E1 1AF
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

PROACTIVE INVESTORS LIMITED
REGISTERED NUMBER:5639690

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	6	209,522	279,363
Tangible assets	7	21,143	49,249
		<u>230,665</u>	<u>328,612</u>
Current assets			
Debtors	8	2,724,020	1,579,105
Current asset investments	9	16,912	32,475
Bank and cash balances		526,828	196,867
		<u>3,267,760</u>	<u>1,808,447</u>
Creditors: amounts falling due within one year	10	(2,397,265)	(1,606,604)
Net current assets		<u>870,495</u>	<u>201,843</u>
Total assets less current liabilities		<u>1,101,160</u>	<u>530,455</u>
Creditors: amounts falling due after more than one year	11	(130,352)	(148,854)
Provisions for liabilities			
Deferred tax		(1,661)	(5,906)
		<u>(1,661)</u>	<u>(5,906)</u>
Net assets		<u><u>969,147</u></u>	<u><u>375,695</u></u>
Capital and reserves			
Called up share capital		300	300
Other reserves		544,050	453,375
Profit and loss account		424,797	(77,980)
		<u><u>969,147</u></u>	<u><u>375,695</u></u>

PROACTIVE INVESTORS LIMITED

REGISTERED NUMBER:5639690

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C Ribton

Director

Date: 28 September 2020

The notes on pages 4 to 13 form part of these financial statements.

PROACTIVE INVESTORS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	300	249,356	14,812	264,468
Comprehensive income for the year				
Loss for the year	-	-	(92,792)	(92,792)
Total comprehensive income for the year	-	-	(92,792)	(92,792)
Share based payments	-	204,019	-	204,019
Total transactions with owners	-	204,019	-	204,019
At 1 July 2019	300	453,375	(77,980)	375,695
Comprehensive income for the year				
Profit for the year	-	-	502,777	502,777
Total comprehensive income for the year	-	-	502,777	502,777
Share based payments	-	90,675	-	90,675
Total transactions with owners	-	90,675	-	90,675
At 30 June 2020	300	544,050	424,797	969,147

The notes on pages 4 to 13 form part of these financial statements.

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Proactive Investors Limited is a private company limited by shares, incorporated in England & Wales.

The address of the registered office is disclosed on the company information page.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the going concern position and reviewed the forecasts and anticipated future banking. From this the directors consider that there is sufficient support to provide adequate working capital, to allow the company to settle its liabilities as they fall due.

2.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes: for and from the rendering of services.

Income from media subscription customers are recognised initially in deferred income, then recognised as revenue over time as the subscription period is rendered based on a fixed price and performance obligations are satisfied as content is delivered over the subscription period. Contracts are typically for a maximum 12-month period, subscriptions are invoiced in advance at the start of the subscription period and the Company has no obligations to refund subscriptions which are typically due within 30 days of the invoice date.

Event income is recognised at a point in time when the respective event has been held. Invoices are typically raised in advance of the event and payment is due 30 days from the date of the invoice.

Advertising income is recognised when performance obligations have been satisfied and invoices are due for payment 30 days from the date of the invoice.

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 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 the Statement of comprehensive income 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 the Statement of comprehensive income within 'other operating income'.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.6 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 operates and generates income.

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

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

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

2.8 Exceptional items

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

2.9 Intangible assets

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

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

The estimated useful lives range as follows:

Website development costs	-	4	years
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2.10 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.

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

Long-term leasehold property	-	over the lease life
Office equipment	-	5 years
Computer equipment	-	3 years

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 the Statement of comprehensive income.

2.11 Valuation of investments

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

2.12 Financial instruments

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

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Share based payments

Certain employees of the company have been granted share options by the ultimate parent company, Proactive Group Holdings Inc, the options are exercisable in a triggering event such as a sale or listing event or by the discretion of the board of Proactive Group Holdings Inc. In the judgement of the directors, the triggering event is probable and accordingly a share based payment expense has been recognised over the vesting period of the share options.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Share based payments

The equity settled share-based payments charge is partly derived from estimates and assumptions such as future volatility of share price, expected dividend yields and risk-free interest rates. Estimations and assumptions made are detailed out in note 13.

4. Employees

The average monthly number of employees, including directors, during the year was 25 (2019 - 25).

5. Income from listed investments

	2020 £	2019 £
Profit on disposals of listed investments	121,750	-
	<u>(121,750)</u>	<u>-</u>

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6. Intangible assets

	Website £
Cost	
At 1 July 2019	279,363
At 30 June 2020	<u>279,363</u>
Amortisation	
Charge for the year	69,841
At 30 June 2020	<u>69,841</u>
Net book value	
At 30 June 2020	<u>209,522</u>
At 30 June 2019	<u>279,363</u>

7. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2019	233,612	29,480	204,247	467,339
Additions	-	-	6,943	6,943
At 30 June 2020	<u>233,612</u>	<u>29,480</u>	<u>211,190</u>	<u>474,282</u>
Depreciation				
At 1 July 2019	189,809	29,480	198,801	418,090
Charge for the year on owned assets	30,919	-	4,130	35,049
At 30 June 2020	<u>220,728</u>	<u>29,480</u>	<u>202,931</u>	<u>453,139</u>
Net book value				
At 30 June 2020	<u>12,884</u>	<u>-</u>	<u>8,259</u>	<u>21,143</u>
At 30 June 2019	<u>43,803</u>	<u>-</u>	<u>5,446</u>	<u>49,249</u>

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	56,250	56,250
	<u>56,250</u>	<u>56,250</u>
Due within one year		
Trade debtors	576,856	346,534
Amounts owed by parent company	1,938,623	1,075,092
Other debtors	52,457	33,446
Prepayments and accrued income	69,495	67,783
Tax recoverable	30,339	-
	<u>2,724,020</u>	<u>1,579,105</u>

9. Current asset investments

	2020 £	2019 £
At the beginning of the year	32,475	23,550
Additions	136,298	-
Disposals	(148,972)	-
Fair value movement	(2,889)	8,925
	<u>16,912</u>	<u>32,475</u>

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	1,903	1,903
Bank loans	239,981	56,455
Trade creditors	163,451	112,594
Corporation tax	125,274	44,711
Other taxation and social security	403,578	125,085
Other creditors	13,942	18,065
Accruals and deferred income	1,449,136	1,247,791
	<u>2,397,265</u>	<u>1,606,604</u>

Bank overdrafts and bank loans

Details of security provided:

A fixed and floating charge is held over the assets of Proactive Investors Limited.

A fixed and floating charge is held over the assets of CRIM UK Limited in which the directors, Mr C Ribton and Mr I McLelland are also directors.

Limited guarantees have been provided by Mr C Ribton and Mr I McLelland.

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

	2020 £	2019 £
Bank loans	130,352	148,854
	<u>130,352</u>	<u>148,854</u>

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Share based payments

Certain employees of the company have been granted share options by the ultimate parent company, Proactive Group Holdings Inc.

The options are granted with a fixed exercise price, are exercisable in a triggering event such as a sale or listing event or by the discretion of the board of Proactive Group Holdings Inc in accordance with the vesting provisions set out in the option agreements. The options vest in three equal annual installments on the date of grant, and each of the first and second anniversaries of the date of grant. Employees are required to remain in employment with the group.

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	0.18	310,000	0.18	310,000
Granted during the year		-		-
Forfeited during the year		-		-
Outstanding at the end of the year	0.18	310,000	0.18	310,000

	2020	2019
Option pricing model used	Black-Scholes	<i>Black-Scholes</i>
Weighted average share price (pence)	1.64	1.64
Exercise price (pence)	0.18	0.18
Expected volatility	46.0%	46.0%
Expected dividend growth rate	0.0%	0.0%
Risk-free interest rate	1.0%	1.0%

	2020 £	2019 £
Equity-settled schemes	90,675	249,356
	90,675	249,356

PROACTIVE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13. Transactions with directors

Included in other debtors and creditors are the amounts shown below. No interest was charged on these balances.

	<i>Opening</i> £	<i>Advanced</i> £	<i>Repayments</i> £	<i>Closing</i> £
I McLelland	-	18,792	-	18,792
I Lyall	30,097	-	-	30,097
	<u>30,097</u>	<u>18,792</u>	<u>-</u>	<u>48,889</u>

14. Ultimate parent

The parent of the smallest group for which the consolidated financial statements are drawn up is Proactive Group Holdings Inc. The registered office Suite 7210, 100 King Street, West Toronto, Ontario, M5X 1E1.

15. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed on 28 September 2020 by Ralph Mitchison FCA (Senior statutory auditor) on behalf of Menzies LLP.

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.