

Convertr Media Limited

Registered number: 07605651

Annual Report

For the year ended 30 April 2021

CONVERTR MEDIA LIMITED

COMPANY INFORMATION

Directors	E L Bowkett K Wallington R J Whitby-Smith
Company secretary	Reed Smith Corporate Services Limited
Registered number	07605651
Registered office	The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2021**

The directors present their report and the audited consolidated financial statements for the year ended 30 April 2021.

Principal activity

The principal activity of the Group and Company during the year was the provision of a Marketing Customer Acquisition platform to its clients, enabling brands, agencies and publishers to improve their ROI across marketing campaigns.

Results and dividends

The loss for the year, after taxation, amounted to £63,289 (2020: loss of £336,665).

The directors do not recommend the payment of a dividend for the year (2020: £nil).

Directors

The directors who served during the year and up to the date of this report were:

E L Bowkett
K Wallington
R J Whitby-Smith

Directors' responsibilities statement

The directors are responsible for preparing 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 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; and
- 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The Group and Company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Group and Company's personnel.

Going concern

At 30 April 2021, the Group and Company have net liabilities of £1,800,060 (2020: £1,736,773) and £1,878,682 (2020: £1,831,734) respectively. These net liabilities include loan notes of £1,735,740 (2020: £1,735,740) that are convertible to equity or repayable on demand. Post year end the Group and Company obtained further loan funding from a new investor which supersedes these loan notes.

The Group is at an early stage of its growth and incurred a loss of £63,289 (2020: loss of £336,665) during the financial year. The forecast prepared by the directors for the 12 months from the signing of the financial statements show that the Company and Group have sufficient resources to meet their obligations as they fall due. Notwithstanding the risks the directors note as arising from the withdrawal of the UK from the EU and the COVID-19 pandemic, the directors do not consider that there is any serious doubt over the ability of the Group and the Company to continue to operate for a period of at least twelve months from the date of this report. Accordingly, the financial statements have been prepared on the going concern basis.

Provision of information to auditor

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 and the Company since the year end.

Auditors

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

E L Bowkett

Director

Date: 30 March 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERTR MEDIA LIMITED

Opinion

We have audited the financial statements of Convertr Media Limited (the 'Company') and its subsidiary (the 'Group') for the year ended 30 April 2021 which comprise Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, 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 FRS 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 30 April 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 "Auditor's 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 UK, including the FRC'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.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERTR MEDIA LIMITED

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERTR MEDIA LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 and of 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 either the directors intend to liquidate the Group and of the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- communicating identified laws and regulations to the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERTR MEDIA LIMITED

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut-off, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- 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.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit 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 auditor's 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.

Vincent Marke (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle

160 Midsummer Boulevard
Milton Keynes
MK9 1FF

25 April 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2021**

	Note	2021 £	2020 £
Turnover		3,648,286	3,579,675
Cost of sales		(995,160)	(1,648,487)
Gross profit		<u>2,653,126</u>	<u>1,931,188</u>
Administrative expenses		(2,704,458)	(2,374,475)
Operating loss	3	<u>(51,332)</u>	<u>(443,287)</u>
Interest payable and similar expenses	7	(51,391)	(26,594)
Loss before tax		<u>(102,723)</u>	<u>(469,881)</u>
Tax on loss	8	39,434	133,216
Loss for the financial year		<u>(63,289)</u>	<u>(336,665)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(63,289)</u>	<u>(336,665)</u>
Loss for the year attributable to:			
Owners of the parent company		(63,289)	(336,665)
		<u>(63,289)</u>	<u>(336,665)</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	9	997	2,492
		<u>997</u>	<u>2,492</u>
Current assets			
Debtors: amounts falling due within one year	11	960,298	812,797
Cash and cash equivalents		968,337	525,390
		<u>1,928,635</u>	<u>1,338,187</u>
Creditors: amounts falling due within one year	12	(3,729,692)	(3,077,452)
Net current liabilities		<u>(1,801,057)</u>	<u>(1,739,265)</u>
Total assets less current liabilities		<u>(1,800,060)</u>	<u>(1,736,773)</u>
Net liabilities		<u>(1,800,060)</u>	<u>(1,736,773)</u>
Capital and reserves			
Called up share capital	13	199	197
Share premium account	14	3,409,822	3,409,822
Other reserves	14	124,793	124,793
Profit and loss account	14	(5,334,874)	(5,271,585)
Total equity		<u>(1,800,060)</u>	<u>(1,736,773)</u>

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

E L Bowkett
Director

Date: 30 March 2022

The notes on pages 13 to 28 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	9	997	2,492
Investments	10	4,428	4,428
		<u>5,425</u>	<u>6,920</u>
Current assets			
Debtors: amounts falling due within one year	11	938,533	658,032
Cash and cash equivalents		930,722	517,899
		<u>1,869,255</u>	<u>1,175,931</u>
Creditors: amounts falling due within one year	12	(3,753,362)	(3,014,585)
Net current liabilities		<u>(1,884,107)</u>	<u>(1,838,654)</u>
Total assets less current liabilities		<u>(1,878,682)</u>	<u>(1,831,734)</u>
Net liabilities		<u>(1,878,682)</u>	<u>(1,831,734)</u>
Capital and reserves			
Called up share capital	13	199	197
Share premium account	14	3,409,822	3,409,822
Other reserves	14	124,793	124,793
Profit and loss account	14	(5,413,496)	(5,366,546)
Total equity		<u>(1,878,682)</u>	<u>(1,831,734)</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £46,950 (2020: loss of £376,233).

The Company's 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 were approved and authorised for issue by the board and were signed on its behalf by:

E L Bowkett
Director

Date: 30 March 2022

The notes on pages 13 to 28 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021**

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 May 2019	197	3,409,822	124,793	(4,934,920)	(1,400,108)
Comprehensive loss for the year	-	-	-	(336,665)	(336,665)
Loss for the year	-	-	-	(336,665)	(336,665)
Total comprehensive loss for the year	-	-	-	(336,665)	(336,665)
Total transactions with owners	-	-	-	-	-
At 1 May 2020	197	3,409,822	124,793	(5,271,585)	(1,736,773)
Comprehensive loss for the year	-	-	-	(63,289)	(63,289)
Loss for the year	-	-	-	(63,289)	(63,289)
Total comprehensive loss for the year	-	-	-	(63,289)	(63,289)
Shares issued during the year	2	-	-	-	2
Total transactions with owners	2	-	-	-	2
At 30 April 2021	199	3,409,822	124,793	(5,334,874)	(1,800,060)

The notes on pages 13 to 28 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 May 2019	197	3,409,822	124,793	(4,990,313)	(1,455,501)
Comprehensive loss for the year					
Loss for the year	-	-	-	(376,233)	(376,233)
Total comprehensive loss for the year	-	-	-	(376,233)	(376,233)
Total transactions with owners	-	-	-	-	-
At 1 May 2020	197	3,409,822	124,793	(5,366,546)	(1,831,734)
Comprehensive income for the year					
Loss for the year	-	-	-	(46,950)	(46,950)
Total comprehensive income for the year	-	-	-	(46,950)	(46,950)
Contributions by and distributions to owners					
Shares issued during the year	2	-	-	-	2
Total transactions with owners	2	-	-	-	2
At 30 April 2021	199	3,409,822	124,793	(5,413,496)	(1,878,682)

The notes on pages 13 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

1. General information

Convertr Media Limited is a private company limited by shares, incorporated and registered in England. The address of the registered office of the Company is The Broadgate Tower, Third Floor, 20 Primrose Street, London, EC2A 2RS.

The principal activity of the Group during the year was the provision of a Marketing Customer Acquisition platform to its clients, enabling brands, agencies and publishers to improve their ROI across marketing campaigns.

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 Group management to exercise judgement in applying the Group's accounting policies.

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

The financial statements have been presented in Pounds Sterling and are rounded to the nearest pound as this is the currency of the primary economic environment in which the Company operates.

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 Statement of Financial Position, 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 Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)

2.3 Going concern

At 30 April 2021, the Group and Company have net liabilities of £1,800,060 (2020: £1,736,773) and £1,878,682 (2020: £1,831,734) respectively. These net liabilities include loan notes of £1,735,740 (2020: £1,735,740) that are convertible to equity or repayable on demand. Post year end the Group and Company obtained further loan funding from a new investor which supersedes these loan notes.

The Group is at an early stage of its growth and incurred a loss of £63,289 (2020: loss of £336,665) during the financial year. The forecast prepared by the directors for the 12 months from the signing of the financial statements show that the Company and Group have sufficient resources to meet their obligations as they fall due. Notwithstanding the risks the directors note as arising from the withdrawal of the UK from the EU and the COVID-19 pandemic, the directors do not consider that there is any serious doubt over the ability of the Group and the Company to continue to operate for a period of at least twelve months from the date of this report. Accordingly, the financial statements have been prepared on the going concern basis.

2.4 Foreign currency translation

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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'administrative expenses'.

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 30 APRIL 2021**

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

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

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

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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.

2.7 Interest receivable and similar income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Interest payable and similar expenses

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 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 the Consolidated Statement of Comprehensive Income 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 Group in independently administered funds.

2.10 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 consolidated profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position 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 Group 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 consolidated profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)

2.11 Current and deferred taxation

Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.12 Intangible fixed 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Computer software	-	3	years
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2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)

2.14 Debtors: Amounts falling due within one year

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

2.15 Cash and cash equivalents

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

2.16 Creditors: Amounts falling due within one year

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

2.17 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

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 reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)**2.17 Financial instruments (continued)**

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

3. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Amortisation of intangible assets	1,495	1,496
Net loss on foreign currency translation	17,183	18,908
Other operating lease rentals	149,530	266,936
Defined contribution pension cost	<u>23,937</u>	<u>16,457</u>

4. Auditors' remuneration

Fees payable to the Group's auditor for the audit of the Group's annual financial statements totalled £ (2020: -).

5. Employees

The average monthly number of employees, including the directors, during the year was 22 (2020: 22).

6. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	<u>156,384</u>	<u>168,975</u>

The highest paid director received remuneration of £144,800 (2020: £148,125).

The highest paid director received pension contributions of £nil (2020: £nil).

The key management personnel of the Group are considered to be the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

7. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	1,936	8,002
Other loan interest payable	49,455	18,192
Other interest payable	-	400
	<u>51,391</u>	<u>26,594</u>

8. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on losses for the year	(183,867)	(134,938)
Adjustments in respect of previous periods	146,155	-
	<u>(37,712)</u>	<u>(134,938)</u>
Foreign tax on income for the year	-	1,722
Foreign tax in respect of prior periods	(1,722)	-
Total current tax	<u>(39,434)</u>	<u>(133,216)</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss	<u>(39,434)</u>	<u>(133,216)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

8. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19 %). The differences are explained below:

	2021 £	2020 £
Loss before tax	(102,723)	(469,881)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(19,517)	(89,277)
Effects of:		
Expenses not deductible for tax purposes	3,766	399
Additional deduction for R&D expenditure	(225,652)	(193,465)
Surrender of tax losses for R&D credit	57,062	41,877
Deferred tax not recognised	474	56,560
Foreign tax other	-	106,323
Adjustments to foreign tax charge in respect of prior periods	144,433	-
Remeasurement of deferred tax for changes in tax rates	-	(55,683)
Other permanent differences	-	50
Total tax credit for the year	(39,434)	(133,216)

Factors that may affect future tax charges

At 30 April 2021 the Company had corporation tax losses of £2,483,796 (2020: £2,786,678) available to carry forward against future trading profits.

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

9. Intangible assets**Group and Company**

	Computer software £
Cost	
At 1 May 2020	4,486
At 30 April 2021	<u>4,486</u>
Amortisation	
At 1 May 2020	1,994
Charge for the year	1,495
At 30 April 2021	<u>3,489</u>
Net book value	
At 30 April 2021	<u><u>997</u></u>
At 30 April 2020	<u><u>2,492</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

10. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 May 2020	4,428
At 30 April 2021	4,428
At 1 May 2020	-
Charge for the year	-
At 30 April 2021	-
Net book value	
At 30 April 2021	4,428
At 30 April 2020	4,428

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Convertr Media, Inc.	2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA	Provision of sales services	Ordinary	100 %

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

11. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	401,981	369,933	401,981	369,933
Other debtors	28,117	37,382	27,277	36,518
Prepayments and accrued income	95,516	38,678	95,516	38,678
Tax recoverable	434,684	366,804	413,759	366,804
Amounts owed by group undertakings	-	-	-	(153,901)
	<u>960,298</u>	<u>812,797</u>	<u>938,533</u>	<u>658,032</u>

No impairment loss was recognised in the Consolidated Statement of Comprehensive Income for the year in respect of bad and doubtful debtors (2020: £nil).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

12. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	1,735,740	1,735,740	1,735,740	1,735,740
Trade creditors	480,221	358,430	478,070	358,430
Amounts owed to group undertakings	-	-	80,443	-
Corporation tax	-	5,327	-	-
Other taxation and social security	283,242	256,097	283,133	255,982
Other creditors	63,605	55,330	63,298	55,330
Accruals and deferred income	1,166,884	666,528	1,112,678	609,103
	<u>3,729,692</u>	<u>3,077,452</u>	<u>3,753,362</u>	<u>3,014,585</u>

Included in other loans are convertible loan notes of £1,235,740 (2020: £1,235,740).

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

The following liabilities were secured:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

Details of security provided:

Loan notes totalling £500,000 (2020: £500,000) and included in other loans are secured through a floating charge over the assets of the parent Company. During the year, interest of £49,455 (2020: £18,192) was charged in respect of these loan notes and is included within creditors as part of accruals and deferred income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

13. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
210,000 (2020: 210,000) G Ordinary shares of £0.00001 each	2	2
5,256,000 (2020: 5,256,000) A Ordinary shares of £0.00001 each	53	52
14,400,000 (2020: 14,268,000) Ordinary shares of £0.00001 each	144	143
	<hr/>	<hr/>
	199	197
	<hr/>	<hr/>

Ordinary shares entitle the holder of each to one voting right and no right to fixed income.

During the year the Company passed an ordinary resolution to sub divide all classes of existing shares. The Company also allotted an additional 132,000 ordinary shares at £0.0001 each.

14. Reserves**Share premium account**

This reserve represents the consideration received in exchange for newly-issued shares, which was in excess of the nominal value of the shares issued, net of transaction costs.

Share based payment reserve

The Share Based Payment reserve represents the cumulative liability arising from the expense of share based payments. This calculation is based on management's best estimate of the number of options which are likely to vest. This is in turn based on the extent to which share options have already vested, and the likelihood of other vesting conditions being met.

Profit and loss account

This reserve represents the cumulative profits and losses of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**
15. Share based payments

The Company operates two approved EMI share option schemes for the benefit of employees of the Company. The exercise price of the options is 13 pence per share. For the main EMI scheme, the options vest when the main shareholder of the Company disposes of its investment in the Company. The second scheme is for the benefit of one employee and the options vest 10 months, 14 months, 22 months and 34 months from grant date.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	13	444	13	444
Outstanding at the end of the year	13	444	13	444
			2021	2020
			Black Scholes model	Black Scholes model
Option pricing model used				
Weighted average share price (pence)			47,565	47,565
Exercise price (pence)			13	13
Weighted average contractual life (months)			29	29
Expected volatility			32.54%	32.54%
Expected dividend growth rate			0%	0%
Risk-free interest rate			0.05%	0.05%
			2021	2020
			£	£
Equity-settled schemes			-	-
			-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

16. 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 during the year and amounted to £23,937 (2020: £16,457). Contributions totalling £9,357 (2020: £4,151) were payable to the fund at the reporting date and are included in other creditors.

17. Commitments under operating leases

At 30 April 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 £
Due in less than one year	105,000	-	105,000	-
Due in 2-5 years	17,500	-	17,500	-
	<u>122,500</u>	<u>-</u>	<u>122,500</u>	<u>-</u>

18. Related party transactions

In accordance with Section 33.1A of FRS 102 the Company has taken advantage of the exemption available not to disclose transactions with other wholly owned members of the Group.

During the year, the Company incurred £nil (2020: £nil) in transaction fees and £16,667 (2020: £16,667) in monitoring fees to Albion Capital Group LLP, a company affiliated to a significant shareholder.

Also during the year, the Company issued loan notes of £nil (2020: £100,000) to Venture Capitalists (VCTs) managed by Albion VC, a significant shareholder. The loan notes are included in creditors as Other loans, as disclosed in note 14. During the year, interest of £49,455 (2020: £18,192) was charged in respect of these loan notes and is included within creditors as part of accruals. In total, as at the balance sheet date, convertible loan notes with a carrying value of £1,235,740 (2020: £1,235,740) and secured loans of £500,000 (2020: £500,000) were repayable to VCTs managed by AlbionVC.

Directors' loan accounts represent amounts advanced amounts loaned to the Company by E L Bowkett. The amount of £nil (2020: £47,000) remains outstanding at the Balance Sheet date. This is included within other creditors.

19. Post balance sheet events

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

20. Controlling party

The directors do not consider the Company to have a single controlling party.

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.