

Company Registration No. 09056449 (England and Wales)

CROWDSTACKER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TUESDAY

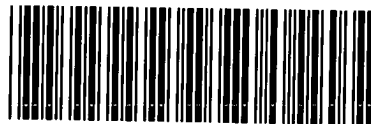


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CROWDSTACKER LIMITED

COMPANY INFORMATION

Director	K Patel
Company number	09056449
Registered office	Floors 1 & 2 Victoria Street St Albans United Kingdom AL1 3JB
Auditor	The HHC Partnership Ltd 52 High Street Pinner Middlesex HA5 5PW

CROWDSTACKER LIMITED

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CROWDSTACKER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Crowdstacker Limited is a lending platform in the UK where SME ("Small or Medium-sized Enterprise") businesses borrow from a range of investors.

Fair review of the business

Over the past financial year, the business has continued to focus on two key objectives – securing the best outcome to those investors who used the platform to invest in businesses, and to reinforce and restructure the business to ensure it can remain competitive and to begin to grow the business over the course of the next twelve months.

The first of these, securing the best outcome for investors, has involved working to secure repayments of loans outstanding through various actions.

The second of these reinforcing and restructuring the business, has involved continuing to bring services in house and developing new products. We continue to develop our own bespoke client money management system and develop our platform to provide efficiencies.

We have also implemented our strategy to reinvigorate our P2P lending by offering a wider selection of slightly smaller investments. We have launched a number throughout the year and the take up has been good from both borrowers and lenders. We continue to develop the product range with a healthy pipeline developing.

During the financial year, we were impacted by an uncertain economic climate but to counter this impact, we have remained prudent on expenditure.

To supplement our financial resources, the group is considering a future raise in Q4 2022. The funds will be used to provide a buffer and continue our strategic objectives.

Principal risks and uncertainties

The principal risks and uncertainties that the Company faces include:

Credit risk

The risk of default on a debt that may arise from a borrower failing to make required payments. This is mitigated by ensuring there are robust credit assessment procedures in place and excellent internal expertise at all stages of the process.

Platform fraud risk

The risk of fraud occurring through external manipulation of the company's electronic platform. This risk is mitigated by stringent on-boarding checks for all approved persons and daily client money reconciliations.

Cyber Security risk

This is the probability of exposure or loss resulting from a cyber attack or data breach. This risk is mitigated by the outsourcing of web hosting to recognised provider with a due diligence process and two factor authentication to access relevant accounts.

Orderly wind down risk

The risk of failure to comply with the FCA requirements in the event of wind down. This risk is mitigated by having a wind down plan, reviewed and monitored in line with the firm's compliance monitoring programme, which includes stress testing.

Liquidity and Cash Flow risk

The Company actively monitors its financial position to ensure the Company has sufficient funds available for operations and planned expansions.

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include price, credit and liquidity risks. The company operates policies that seek to manage and mitigate such risks.

Risks are managed through a business wide risk assessment which continues to be reviewed and evaluated every quarter.

CROWDSTACKER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key performance indicators

The Board and Senior Management of the business monitor the Key Performance Indicators (KPI's) regularly, comparing both actual and forecast performance to budget.

The primary financial KPI's are turnover, gross profit margins, cost ratios together with working capital metrics.

Turnover increased by £34,836 from £422,462 in 2021 to £457,298 in 2022. Gross profit has increased by £33,751 from £386,045 in 2021 to £419,796 in 2022, with the gross profit margin increasing by 0.42% from 91.38% in 2021 to 91.80% in 2022.

Although the performance metrics show an increase from prior years, performance has still been impacted but continues to be in line with projections given the broader economic factors.

The Future

We expect with the increasing traction from our property lending products to improve revenue growth. We also expect that recovery of significant costs incurred for recovery of loans will improve cash flow in the medium term.

Other performance indicators

The company actively monitors the level of investment raised, the number of borrowers, the level of defaults and customer complaints to assess the ongoing performance of the business.

Promoting the success of the company

Directors' statement of compliance with duty to promote the success of the Company

Directors Duties

The directors of this company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised below.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interest of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

The following paragraphs summarise how the directors fulfil these duties;

Risk Management

Consideration of our risks is an integral part of how our Company operates. Risk management is considered on a daily basis and a lot of what we do is highly regulated to eliminate risk where possible. Risks are reviewed at Director level on a regular basis, and categorising the likelihood and severity of these risks means the management team can focus on all significant areas.

Our People

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, investors and society as a whole. People are at the heart of our business and for our business to succeed we need to manage our peoples' performance and develop and bring through talent whilst ensuring we operate as effectively as possible. We must ensure we engage with our teams and guide our behaviour so we achieve our combined goals in the right way.

CROWDSTACKER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Business Relationships

Customers are at the centre of our business. Our customer service team builds lasting relationships with current and potential customers to understand their objectives and requirements. We are in regular contact with customers in order to meet their service requirements. This includes sending updates, answering any questions and providing information as required.

We work with a wide range of suppliers. We remain committed to being fair and transparent in our dealings with all of our suppliers. We have procedures requiring due diligence of suppliers and we have systems and processes in place to ensure suppliers are paid in a timely manner.

Community and Environment

The company ensures that its operations and activities are considerate of the local community and the environment in which it operates.

Shareholders

The Board also seeks to behave in a responsible manner towards our shareholders. The Board provides shareholder updates on a consistent basis and communicates information relevant to its shareholders.

On behalf of the board

DocuSigned by:



K. Patel
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Director

19 August 2022

CROWDSTACKER LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of the operation of a P2P lending platform.

Results and dividends

The loss for the year, after taxation amounted to £172,377 (2021: £206,983).

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

K Patel

Going Concern

Measures have been taken by the Director to ensure the financial stability and working capital of the Company during this period including the preparation of cash flow forecasts to monitor the ongoing financial position of the Company and a continued reduction in advertising & promotion and overhead costs post-year end.

The company has also received an undertaking of financial support from its parent company, Crowdstacker Holdings Limited, sufficient to enable it to continue in business for the foreseeable future being at least 12 months from the date of approval of these financial statements.

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval of the financial statements. In making this assessment the Director has considered the latest commercial and cash flow forecasts prepared by the Company.

Auditor

The auditor, The HHC Partnership Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

CROWDSTACKER LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 financial statements, the director is 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 director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

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K Patel
Director

19 August 2022

CROWDSTACKER LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CROWDSTACKER LIMITED

Opinion

We have audited the financial statements of Crowdstacker Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 March 2022 and of its 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.

Material uncertainty relating to going concern

We draw attention to the Accounting Policy 1.2 on Page 13 of the financial statements, which indicates that the company incurred a net loss before tax of £172,377 during the year ended 31 March 2022 and £206,983 during the year ended 31 March 2021. As stated on Page 13, these events or conditions along with the other matters set out on Page 13, indicate that a material uncertainty may exist in relation to going concern. Our opinion is not modified in this respect.

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 director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CROWDSTACKER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROWDSTACKER LIMITED

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 and the director's report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

CROWDSTACKER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROWDSTACKER LIMITED

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 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.

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements.

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

We identified that the principal risks of non-compliance with laws and regulations related to regulations set out by the Financial Conduct Authority and related European Regulations in Financial Services requirements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Company Law, UK financial reporting standards, Tax and Pensions legislation, and distributable profits legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates.

From the risk assessment we included appropriate audit procedures in response to such risks in our work, where relevant.

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

- inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- inspection of relevant legal correspondence;
- review of board minutes;
- testing the appropriateness of entries in the nominal ledger, including journal entries;
- reviewing transactions around the end of the reporting period;
- the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- challenging assumptions made by management in their significant accounting estimates.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CROWDSTACKER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROWDSTACKER LIMITED

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 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.



**Andrew da Costa (Senior Statutory Auditor)
for and on behalf of The HHC Partnership Ltd**

19 August 2022

**Chartered Accountants
Statutory Auditor**

52 High Street
Pinner
Middlesex
HA5 5PW

CROWDSTACKER LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover	3	457,298	422,462
Cost of sales		(37,502)	(36,417)
Gross profit		419,796	386,045
Administrative expenses		(678,149)	(703,418)
Other operating income		18,613	42,143
Operating loss	4	(239,740)	(275,230)
Interest receivable and similar income	7	287	612
Loss before taxation		(239,453)	(274,618)
Tax on loss	8	67,076	67,635
Loss for the financial year		(172,377)	(206,983)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CROWDSTACKER LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Loss for the year	(172,377)	(206,983)
Other comprehensive income	-	-
	<u> </u>	<u> </u>
Total comprehensive income for the year	<u>(172,377)</u>	<u>(206,983)</u>

CROWDSTACKER LIMITED**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	9		47,969		114,467
Tangible assets	10		-		1,403
			<u>47,969</u>		<u>115,870</u>
Current assets					
Debtors	11	428,732		255,069	
Cash at bank and in hand		66,132		212,020	
		<u>494,864</u>		<u>467,089</u>	
Creditors: amounts falling due within one year	12	<u>(200,398)</u>		<u>(127,853)</u>	
Net current assets			<u>294,466</u>		<u>339,236</u>
Total assets less current liabilities			<u>342,435</u>		<u>455,106</u>
Creditors: amounts falling due after more than one year	13		<u>(32,373)</u>		<u>(41,667)</u>
Net assets			<u><u>310,062</u></u>		<u><u>413,439</u></u>
Capital and reserves					
Called up share capital	16	2,255,969		2,186,969	
Profit and loss reserves	17	(1,945,907)		(1,773,530)	
Total equity			<u><u>310,062</u></u>		<u><u>413,439</u></u>

The financial statements were approved and signed by the director and authorised for issue on 19 August 2022

DocuSigned by:



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K Patel

Director

Company Registration No. 09056449

CROWDSTACKER LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2020		1,986,969	(1,566,547)	420,422
Year ended 31 March 2021:				
Loss and total comprehensive income for the year		-	(206,983)	(206,983)
Issue of share capital	16	200,000	-	200,000
Balance at 31 March 2021		2,186,969	(1,773,530)	413,439
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(172,377)	(172,377)
Issue of share capital	16	69,000	-	69,000
Balance at 31 March 2022		<u>2,255,969</u>	<u>(1,945,907)</u>	<u>310,062</u>

CROWDSTACKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

Company information

Crowdstacker Limited is a private company limited by shares incorporated in England and Wales. The registered office is Floors 1 & 2, Victoria Street, St Albans, United Kingdom, AL1 3JB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Crowdstacker Holdings Limited. These consolidated financial statements are available from its registered office, Floors 1 & 2, 6 Victoria Street, St Albans, Herts, AL1 3JB.

1.2 Going concern

After reviewing the company and group's forecast and projections, the director has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

However, attention is drawn to the impact on the company should material funds not be recovered from a borrower in liquidation at the date of this report and as such, reference is made in the Auditors' report to a material uncertainty relating to going.

In support of this assertion, during the year ended 31 March 2022, funds were recovered from the borrower in liquidation and further funds have also been recovered post year end. It is also very probable that further significant funds will be recovered post year end which will greatly improve the company's liquidity position.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

CROWDSTACKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Research and development expenditure

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

1.5 Intangible fixed assets other than goodwill

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

Development Costs	25% Straight Line
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1.6 Tangible fixed assets

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

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

Computer equipment	25% Straight Line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets (specifically its platform development costs) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CROWDSTACKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CROWDSTACKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

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

CROWDSTACKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Government grants

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

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

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive due to the material nature of the platform development. The amortisation rates are derived after determining an estimate of the asset's expected useful economic life and the expected residual value at the end of its life. The useful economic life are based on historical experience with similar assets as well as anticipation of future events such as changes in technology which may impact the assets life. Assets are reviewed for impairments on an annual basis.

Provisions

The company recognises provisions for the recoverability of its trade debtors in its financial statements when appropriate. The judgements, estimates and assumptions used to calculate these provisions are based on historical experience and other reasonable factors.

CROWDSTACKER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022**3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Loan administration fees	309,209	269,015
Loan arrangement fees	119,111	107,047
Product setup fees	13,263	30,000
Other income	15,715	16,400
	<u>457,298</u>	<u>422,462</u>

	2022	2021
	£	£
Other significant revenue		
Interest income	287	612
Grants received	<u>18,613</u>	<u>42,143</u>

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(18,613)	(42,143)
Fees payable to the company's auditor for the audit of the company's financial statements	10,500	10,500
Depreciation of owned tangible fixed assets	1,403	13,574
Amortisation of intangible assets	67,947	87,182
Operating lease charges	<u>26,271</u>	<u>28,642</u>

5 Employees

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

	2022	2021
	Number	Number
Employees	<u>5</u>	<u>5</u>

CROWDSTACKER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022**5 Employees (Continued)**

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	249,303	237,959
Social security costs	24,627	26,781
Pension costs	3,584	3,580
	<u>277,514</u>	<u>268,320</u>

6 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>96,810</u>	<u>92,200</u>

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	<u>287</u>	<u>612</u>

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	<u>(67,076)</u>	<u>(67,635)</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	<u>(239,453)</u>	<u>(274,618)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(45,496)	(52,177)
Tax effect of expenses that are not deductible in determining taxable profit	69,771	100,868
Permanent capital allowances in excess of depreciation	-	(16,516)
Research and development tax credit	<u>(91,351)</u>	<u>(99,810)</u>
Taxation credit for the year	<u>(67,076)</u>	<u>(67,635)</u>

CROWDSTACKER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022**9 Intangible fixed assets**

	Development Costs £
Cost	
At 1 April 2021	358,010
Additions - internally developed	1,449
	<u>359,459</u>
At 31 March 2022	<u>359,459</u>
Amortisation and impairment	
At 1 April 2021	243,543
Amortisation charged for the year	67,947
	<u>311,490</u>
At 31 March 2022	<u>311,490</u>
Carrying amount	
At 31 March 2022	<u>47,969</u>
At 31 March 2021	<u>114,461</u>

10 Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2021 and 31 March 2022	19,700
Depreciation and impairment	
At 1 April 2021	18,297
Depreciation charged in the year	1,403
	<u>19,700</u>
At 31 March 2022	<u>19,700</u>
Carrying amount	
At 31 March 2022	-
At 31 March 2021	<u>1,403</u>

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	296,283	123,373
Corporation tax recoverable	67,076	67,635
Other debtors	53,142	55,142
Prepayments and accrued income	12,231	8,919
	<u>428,732</u>	<u>255,069</u>

CROWDSTACKER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022**12 Creditors: amounts falling due within one year**

	Notes	2022 £	2021 £
Bank loans	14	8,333	8,333
Trade creditors		132,291	53,695
Taxation and social security		13,523	32,132
Other creditors		8,134	5,869
Accruals and deferred income		38,117	27,824
		<u>200,398</u>	<u>127,853</u>

13 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	14	<u>32,373</u>	<u>41,667</u>

14 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>40,706</u>	<u>50,000</u>
Payable within one year	8,333	8,333
Payable after one year	<u>32,373</u>	<u>41,667</u>

During the prior year, the company entered into an agreement with Lloyds Bank Plc for a Bounce Back Loan. This loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

15 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>3,584</u>	<u>3,580</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	<u>225,596,900</u>	<u>218,696,900</u>	<u>2,255,969</u>	<u>2,186,969</u>

CROWDSTACKER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022**16 Share capital****(Continued)**

During the year, the reporting entity issued 6,900,000 ordinary shares with a nominal value of £0.01 each for a total consideration of £69,000.

17 Profit and loss reserves

	2022	2021
	£	£
At the beginning of the year	(1,773,530)	(1,566,547)
Loss for the year	(172,377)	(206,983)
	<u>(1,945,907)</u>	<u>(1,773,530)</u>
At the end of the year	<u>(1,945,907)</u>	<u>(1,773,530)</u>

18 Operating lease commitments**Lessee**

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

	2022	2021
	£	£
Within one year	<u>31,375</u>	<u>32,083</u>

19 Ultimate controlling party

The immediate and ultimate parent undertaking is Crowdstacker Holdings Limited. The group is jointly controlled by a number of majority shareholders.

The smallest and largest group into which the results of the company are consolidated is Crowdstacker Holdings Limited. A copy of the consolidated accounts are available from the Registered office of that company.

The ultimate parent company is Crowdstacker Holdings Limited, a company incorporated in England and Wales.