

Company registration number 09803204 (England and Wales)

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

ELDER TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	Mr P G Dowds Mr B F Macfarlane Mr S Wossagk Mr S Murphy
Company number	09803204
Registered office	230 City Road, London, England, EC1V 2TT
Auditor	Jeffreys Henry Audit Limited Finsgate 5-7 Cranwood Street London EC1V 9EE

ELDER TECHNOLOGIES LIMITED

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ELDER TECHNOLOGIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report of Elder Technologies Limited ("the Company") for the year ended 31 March 2022.

Fair review of the business

The directors present the strategic report of Elder Technologies Limited ("the Company") for the year ended 31 March 2022.

The company operates a three-sided care marketplace where, utilising proprietary technology and data science, the Company matches families, loved ones and carers.

The financial year ending 31 March 2022 was a difficult one for the care industry having to deal with a shortage of care staff as well as the ongoing impact of the COVID pandemic. To address these challenges, the business launched a new market leading carer value proposition supported by a revised customer pricing model. These changes have had a material positive impact on our marketplace performance during the year.

Changes to our carer offering have delivered an increase of 22% in our active carer base and a 20% increase in our retained and reengaged carers. These increases have ensured we have a strong marketplace liquidity enabling us to maintain nationwide coverage and be able to have a carer in the home in 24 hours in cases of emergency.

Strong liquidity combined with a focus on customer service has delivered an increase of 26% in new customer volumes compared to prior year. Pricing model changes have increased gross transaction value per week by 20% post implementation while also maintaining customer retention and excellent NPS scores.

These changes have positively impacted customer unit economics but given the changes were implemented during the second half of the financial period, the full benefits are not reflected in the current year results. Turnover for the year amounted to £7,336,362 (2021: £6,951,051).

The Company continues to invest in its proprietary technology platform, CareOS, consumer facing apps MyElder and ElderHub, internal platform Mission Control and machine learning models to deliver its differentiated experience for customers, carers and other ecosystem partners alongside its ongoing focus on delivering an excellent service for both customers and carers. This increased losses for the year before taxation to £6,484,587 (2021: £2,942,066) but these losses were in line with expectations given this investment in infrastructure to deliver future growth.

The Company had net liabilities of £157,350 (2021: net assets £5,458,721) at the year end.

Principal risks and uncertainties

The Company recognises the potential risk posed by new entrants and minimises this through product and technology innovation. The Company is reliant on external parties and search engines to acquire customers and invests in offering a differentiated service.

Development and performance

The directors consider the performance of the Company, based on the Company's unaudited management accounts for the years ending 31 March 2022 and 31 March 2021, to be satisfactory having delivered growth on core performance metrics below:

	31 March 2022	31 March 2021	Year on year change
Gross Transaction Value	£33,881,550	£27,066,782	• 25.2%
Net revenues	£8,609,891	£7,142,734	• 20.5%

The directors are confident that the investments made and changes implemented to the business during the current financial year strengthen the future prospects of the Company.

ELDER TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key performance indicators

The key performance indicators used by the directors to monitor the performance of the business include gross transaction value, net revenues, turnover, gross margin, contribution, customer and carer lifetime value, EBITDA and cash flow. Other non-financial measures are also regularly reviewed including customer and carer funnel conversion and retention. The directors constantly review financial and operational metrics to ensure delivery of high quality service and continued growth.

On behalf of the board

Mr P G Dowds
Director

20 December 2022

ELDER TECHNOLOGIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be the provision of an online marketplace where customers seeking care services are matched with professional carers who are willing to provide such services for payment.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr P G Dowds
Mr B F Macfarlane
Mr S Wossagk
Mr S Murphy

Financial instruments

Liquidity risk, Interest rate risk and Cash flow risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to interest rate risk on its borrowings. The company is currently reliant on external loans and therefore has a cash flow and liquidity risk. The lender is currently satisfied with the company's financial performance and the directors do not think that there is any risk of the facilities being withdrawn.

Credit risk

Investments of cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Research and development

The company has dedicated in-house software, engineering design and development teams with primary focus on the development of bespoke technology and processes to enable the in-house care to be managed via its consuming facing apps MyElder and ElderHub. Costs relating to the development of this computer software are capitalised if they relate to internal capital projects.

Post reporting date events

The company has reviewed and evaluated all events and material transactions that have occurred after 31 March 2022 to the date of signing of the financial statements.

During this period, the company completed a refinancing exercise to strengthen the capital position of the business to support continued growth. This included the signing of a new debt facility of up to €20 million alongside the conversion of the convertible loan notes issued into equity. The debt facility of £4 million as at the 31 March 2022 balance sheet was settled as part of this refinancing.

Other than the above events also disclosed in note 25 in these financial statements, there were no other significant adjusting or non-adjusting events between 31 March 2022 and the date of authorisation of these financial statements.

ELDER TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Future developments

The company intends to operate in line with its principal activities and grow its core business through customer acquisition and engagement and working closely with carers to provide the best value for its customers together with a continued focus on customer service.

Auditor

The auditor, Jeffreys Henry Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

Mr P G Dowds

Director

20 December 2022

ELDER TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELDER TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Elder Technologies Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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.

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

ELDER TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF ELDER TECHNOLOGIES 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 or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the property industry.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.

ELDER TECHNOLOGIES LIMITED

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

The extent to which the audit was considered capable of detecting irregularities, including fraud (cont'd)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the company's legal advisor.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Sachin Ramaiya (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry Audit Limited

20 December 2022

Chartered Accountants
Statutory Auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

ELDER TECHNOLOGIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	7,336,362	6,951,051
Cost of sales		(252,392)	(172,224)
Gross profit		7,083,970	6,778,827
Administrative expenses		(13,152,954)	(9,653,666)
Other operating income		-	12,646
Operating loss	4	(6,068,984)	(2,862,193)
Interest receivable and similar income	8	2	169
Interest payable and similar expenses	9	(415,605)	(80,042)
Loss before taxation		(6,484,587)	(2,942,066)
Tax on loss	10	702,452	584,759
Loss for the financial year		(5,782,135)	(2,357,307)

ELDER TECHNOLOGIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11	4,313,520		3,393,476	
Tangible assets	12	109,918		70,435	
Investments	13	1		1	
		<u>4,423,439</u>		<u>3,463,912</u>	
Current assets					
Debtors	15	2,211,641		2,163,297	
Cash at bank and in hand		1,960,244		2,193,802	
		<u>4,171,885</u>		<u>4,357,099</u>	
Creditors: amounts falling due within one year	16	<u>(5,873,608)</u>		<u>(2,318,486)</u>	
Net current (liabilities)/assets		<u>(1,701,723)</u>		<u>2,038,613</u>	
Total assets less current liabilities		<u>2,721,716</u>		<u>5,502,525</u>	
Creditors: amounts falling due after more than one year	18	<u>(2,879,066)</u>		<u>(43,804)</u>	
Net (liabilities)/assets		<u><u>(157,350)</u></u>		<u><u>5,458,721</u></u>	
Capital and reserves					
Called up share capital	22	6		6	
Share premium account		16,188,464		16,077,945	
Other reserves		224,975		169,430	
Profit and loss reserves		<u>(16,570,795)</u>		<u>(10,788,660)</u>	
Total equity		<u><u>(157,350)</u></u>		<u><u>5,458,721</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:

Mr P G Dowds
Director

Company Registration No. 09803204

ELDER TECHNOLOGIES LIMITED

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

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2020		6	15,895,593	113,104	(8,431,353)	7,577,350
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(2,357,307)	(2,357,307)
Issue of share capital	22	-	182,352	-	-	182,352
Transfers		-	-	56,326	-	56,326
Balance at 31 March 2021		6	16,077,945	169,430	(10,788,660)	5,458,721
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		-	-	-	(5,782,135)	(5,782,135)
Issue of share capital	22	-	110,519	-	-	110,519
Transfers		-	-	55,545	-	55,545
Balance at 31 March 2022		6	16,188,464	224,975	(16,570,795)	(157,350)

ELDER TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	29	(4,225,359)	(1,871,935)
Interest paid		(265,035)	(80,042)
Income taxes refunded		584,759	464,178
Net cash outflow from operating activities		(3,905,635)	(1,487,799)
Investing activities			
Purchase of intangible assets		(1,943,196)	(1,602,682)
Purchase of tangible fixed assets		(83,007)	(62,853)
Interest received		2	169
Net cash used in investing activities		(2,026,201)	(1,665,366)
Financing activities			
Proceeds from issue of shares		110,519	182,352
Issue of convertible loans		2,000,000	-
Repayment of debentures		(362,684)	(338,578)
Proceeds from borrowings		3,957,110	-
Proceeds of new bank loans		-	50,000
Repayment of bank loans		(6,667)	-
Net cash generated from/(used in) financing activities		5,698,278	(106,226)
Net decrease in cash and cash equivalents		(233,558)	(3,259,391)
Cash and cash equivalents at beginning of year		2,193,802	5,453,193
Cash and cash equivalents at end of year		1,960,244	2,193,802

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Elder Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 230 City Road, London, England, EC1V 2TT.

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405(2) of the Companies Act 2006 and FRS 102 paragraph 9.9A not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The Directors have prepared detailed profit and loss and cashflow projections to 2025 and consider the going concern basis of preparation of financial statements to be appropriate. This assessment is based on Board scrutiny of the projections assumptions used and the repayment of existing loan via a refinancing facility of €20 million.

The Directors have also assessed the impact of COVID-19 on the business in detail and are comfortable that this does not impact its assumptions on going concern. The Company monitors the situation on an ongoing basis and is in a position to take corrective action if required.

As a consequence of these factors, the Directors are satisfied that the Company has sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from date of signing of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the commission 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

Development expenditure is written off in the same way unless the technical, commercial and financial viability of individual projects can be demonstrated. In this situation, the identifiable development expenditure is capitalised and amortised over the period which the company is expected to benefit. As the company utilises a propriety technology in the care sector, the period of benefit, typically 5 years, will be reviewed on an annual basis.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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:

Software & Development costs	Over 5 years
Web domain	10% straight line basis

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:

Plant and equipment	20% straight line basis
Fixtures and fittings	20% straight line basis
Computers	33% straight line basis

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 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 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.

1.10 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors that are receivable within one year and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be received 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. The company has no financial assets that are subsequently carried at amortised cost using the effective interest method.

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.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Derecognition of financial liabilities

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

1.11 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.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 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.

1.17 Government grants

Government grants shown are in relation to covid related support schemes initiated by the government to assist with affects of the covid pandemic.

1.18 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.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

Internal salaries and other payroll costs incurred in respect of development costs for clearly defined projects to enhance and improve the company's web-based platform are capitalised as intangible fixed assets when they are separately identifiable and considered to have readily ascertainable market value. The capitalisation of these costs are subject to prudent estimates and judgements made by the relevant project team and the management. These projects are considered to be technically feasible and commercially viable. Costs are amortised over the estimated useful life of the asset generated which is considered to be 5 years, starting from the moment they are considered to be ready for use by management. For the financial year ended 31 March 2022, 25% of the additional costs capitalised in the financial year were estimated to be ready for use during the year and were amortised in the current year on the basis of the estimated useful life i.e. 5 years.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Rendering of services	7,336,362	6,951,051
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other significant revenue		
Interest income	2	169
Government grants received	-	12,646
	<u> </u>	<u> </u>

The entire turnover of the company for the current and comparative year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	568	(1,996)
Government grants	-	(12,646)
Depreciation of owned tangible fixed assets	43,524	43,857
(Profit)/loss on disposal of tangible fixed assets	-	11,037
Amortisation of intangible assets	1,023,152	693,740
Share-based payments	55,545	56,326
Operating lease charges	346,311	344,039
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	31,900	15,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	-	43,000
	<u> </u>	<u> </u>

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

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

2022 Number	2021 Number
129	103
<u>129</u>	<u>103</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	6,183,233	4,526,535
Social security costs	19,862	15,647
Pension costs	119,041	95,831
	<u>6,322,136</u>	<u>4,638,013</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	172,428	127,146
Company pension contributions to defined contribution schemes	1,321	1,313
	<u>173,749</u>	<u>128,459</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	2	169
	<u>2</u>	<u>169</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2	169
	<u>2</u>	<u>169</u>

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	781	957
Other interest on financial liabilities	376,185	73,818
	<u>376,966</u>	<u>74,775</u>
Other finance costs:		
Other interest	38,639	5,267
	<u>415,605</u>	<u>80,042</u>

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(702,452)	(584,759)

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>(6,484,587)</u>	<u>(2,942,066)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,232,072)	(558,993)
Tax effect of expenses that are not deductible in determining taxable profit	230,654	145,061
Unutilised tax losses carried forward	1,075,644	426,933
Permanent capital allowances in excess of depreciation	(19,978)	(11,942)
Research and development tax credit	(702,452)	(584,759)
Tax relief on share options	(104,822)	(45,075)
Share based payment charge	10,554	10,702
CTA 2009 s1308 deduction	(360,177)	(299,831)
Additional SME R+D deduction	(520,257)	(433,090)
Losses surrendered for tax credit	920,454	766,235
Taxation credit for the year	<u>(702,452)</u>	<u>(584,759)</u>

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets

	Software & Development costs £	Web domain £	Total £
Cost			
At 1 April 2021	4,624,599	30,669	4,655,268
Additions	1,895,671	47,525	1,943,196
At 31 March 2022	6,520,270	78,194	6,598,464
Amortisation and impairment			
At 1 April 2021	1,253,843	7,949	1,261,792
Amortisation charged for the year	1,019,704	3,448	1,023,152
At 31 March 2022	2,273,547	11,397	2,284,944
Carrying amount			
At 31 March 2022	4,246,723	66,797	4,313,520
At 31 March 2021	3,370,756	22,720	3,393,476

12 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2021	4,289	29,138	120,767	154,194
Additions	153	9,598	73,256	83,007
At 31 March 2022	4,442	38,736	194,023	237,201
Depreciation and impairment				
At 1 April 2021	2,616	18,323	62,820	83,759
Depreciation charged in the year	1,037	6,457	36,030	43,524
At 31 March 2022	3,653	24,780	98,850	127,283
Carrying amount				
At 31 March 2022	789	13,956	95,173	109,918
At 31 March 2021	1,673	10,815	57,947	70,435

13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	1	1

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Subsidiaries

Elder UK Services Limited was incorporated in May 2020. The subsidiary was dormant from the period of incorporation up until the reporting date.

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Elder UK Services Limited	UK	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Elder UK Services Limited	(2,187)	(2,186)

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,093,383	1,042,431
Corporation tax recoverable	3,185	3,185
Other debtors	873,981	775,999
Prepayments and accrued income	241,092	341,682
	<u>2,211,641</u>	<u>2,163,297</u>

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Debenture loans	17	-	362,684
Convertible loans	19	2,032,877	-
Bank loans	17	10,000	6,196
Other borrowings	17	1,111,377	-
Trade creditors		1,562,016	1,030,175
Taxation and social security		664,547	515,468
Other creditors		1	1
Accruals and deferred income		492,790	403,962
		<u>5,873,608</u>	<u>2,318,486</u>

Other creditors relate to the unpaid share capital due to the company's subsidiary.

The directors consider that the carrying amount of creditors falling due within one year approximate to their fair values.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Loans

	2022 £	2021 £
Debenture loans	-	362,684
Bank loans	43,333	50,000
Other loans	3,957,110	-
	<u>4,000,443</u>	<u>412,684</u>
Payable within one year	1,121,377	368,880
Payable after one year	<u>2,879,066</u>	<u>43,804</u>

The debenture loan is secured by a fixed charge and a floating charge over all the property and undertakings of the Company. It has a fixed annual interest rate of 11% and both the principal and interest accruing are repayable on a monthly basis. The final instalment was repaid on 28 February 2022.

The bank loan is a UK Government Coronavirus Business Support Loan. It has a fixed annual interest rate of 2.5% and both the principal and interest accruing are repayable on a monthly basis. The final instalment is due to be repaid by 3 July 2026.

Other loans comprises of a non-bank loan which is secured by a fixed charge and a floating charge over all the property and undertakings of the Company. It has a fixed annual interest rate of 9.5% and both the principal and interest accruing are repayable on a monthly basis. The final instalment is due to be repaid on 30 June 2025.

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	33,333	43,804
Other borrowings	17	<u>2,845,733</u>	<u>-</u>
		<u>2,879,066</u>	<u>43,804</u>

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Convertible loan notes

	2022 £	2021 £
Liability component of convertible loan notes	2,032,877	-

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement Of Financial Position represents the effective interest rate less interest paid to that date.

The effective rate of interest is 8.5%.

The equity component of the convertible loan notes has been credited to the equity reserve.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	119,041	95,831

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.

21 Share-based payment transactions

The company operates an HMRC approved EMI share option scheme for its employees. In accordance with the provisions of the scheme, employees may be granted options to purchase ordinary shares which vest over varying periods up to four years and must be exercised within 10 years from the date of grant. No amounts are paid or payable by the option holder for the option. The EMI options granted are personal to the option holder and are not transferable, assignable or chargeable. Vesting conditions of the options dictate that the employees must remain in the employment of the company for the whole vesting period to qualify, and all the options are equity settled.

Movement in issued share options during the year

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Share-based payment transactions

(Continued)

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 April 2021	575,784	579,802	1.62	1.54
Granted	264,474	62,635	1.03	2.06
Forfeited	(147,489)	(29,411)	1.74	1.85
Exercised	(91,466)	(37,242)	1.21	0.87
	<u>601,303</u>	<u>575,784</u>	<u>1.39</u>	<u>1.62</u>
Outstanding at 31 March 2022	601,303	575,784	1.39	1.62
	<u>209,961</u>	<u>308,689</u>	<u>1.33</u>	<u>1.38</u>
Exercisable at 31 March 2022	209,961	308,689	1.33	1.38

The weighted average share price for options exercised in the period at date was £4.68 (2021: £4.05).

The options outstanding at 31 March 2022 had an exercise price ranging from £0.375 to £1.03, and a weighted average remaining contractual life of 8.39 years (2021: 8.08 years).

The fair value of share options granted is determined at the date of grant using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options have been granted. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

As the company has a short trading history with no record of profitability, expected volatility was determined by benchmarking against the average annual volatility of a FTSE 350 company. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

Inputs were as follows:

	2022	2021
Weighted average share price	7.24	7.24
Weighted average exercise price	1.03	2.06
Expected volatility	50.00	50.00
Expected life	4.00	4.00
Risk free rate	0.98	0.33

Equity instruments other than share options

Share warrants

When the company entered into the debenture loan agreement on 01 March 2019 referred to in note 8, it simultaneously entered into a share warrant agreement with the debenture holder whereby the warrant holder has the option to purchase £120,000 worth of shares in the Company in the future. The warrants have an exercise price of £6.49743183 per share, and have a term of ten years.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £55,545 (2021: £56,326) which relate to equity settled share based payment transactions.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Share capital

	2022 £	2021 £
Ordinary share capital		
Issued and fully paid		
2,346,868 (2021: 2,255,402) Ordinary shares of £0.00000111 each	3	3
1,569,475 A Ordinary shares of £0.00000111 each	2	2
1,019,714 B1 Ordinary shares of £0.00000111 each	1	1
179,793 B2 Ordinary shares of £0.00000111 each	-	-
	<u>6</u>	<u>6</u>

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

A Ordinary shares and B1 and B2 Ordinary shares have attached to them full voting, dividend and preferential capital distribution (including on winding up) rights.

During the year, the company undertook the following transactions involving the issue of share capital:

On 6 August 2021, 66,023, 13,809, 1,152, 512 and 1,271 Ordinary shares of £0.00000111 each were issued and allotted at £0.99, £1.95, £0.99, £1.95 and £1.95 per share respectively for an aggregate consideration of £65,363, £26,928, £1,140, £998 and £2,478 respectively.

On 28 January 2022, 238, 2,305, 103, 1,938, 1,538 and 700 Ordinary shares of £0.00000111 each were issued and allotted at £2.06, £0.99, £1.03, £1.95, £1.95 and £1.95 per share for an aggregate consideration of £490, £2,282, £106, £3,779, £2,999 and £1,365.

On 4 March 2022, 1,165 and 712 Ordinary shares of £0.00000111 each were issued and allotted at £1.03 and £1.95 per share for an aggregate consideration of £1,200 and £1,388.

23 Financial commitments, guarantees and contingent liabilities

On 01 March 2019, the company entered into a term loan facility with Columbia Lake Partners Growth Lending SARL which gave rise to charges registered against its intellectual property per filings made on Companies House. These charges were satisfied during the year.

On 04 May 2021, the company entered into a term loan facility with Claret European Specialty Lending SARL which gave rise to charges registered against its intellectual property per filings made on Companies House. These charges were outstanding as at year end but satisfied post year end.

On 26 July 2022, the company entered into a term loan facility with IPF Invest Co 2 SARL which gave rise to charges registered against its intellectual property per filings made on Companies House. These charges were still outstanding as at the date of signing these financial statements.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 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	301,389	281,944
Between two and five years	836,111	1,283,333
	<u>1,137,500</u>	<u>1,565,277</u>

25 Events after the reporting date

On 26th July 2022, the company enters into a term loan facility with IPF Invest Co 2 SARL where the company has charges registered against its intellectual property per filings made on Companies House. This charges were outstanding as at the signing date of the financial statement.

On 7th September 2022, the convertible loan note recorded in the financial statement has been fully converted into equity.

Apart from the above, the directors have assessed and have concluded that there are no other significant adjusting or non-adjusting events between the 31 March 2022 reporting date and the date of authorisation of these financial statements.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>517,405</u>	<u>422,226</u>

27 Directors' transactions

During the year, the company made interest free loans to its directors totalling £nil (2021: £nil). The outstanding balance on these loans as at the reporting date was £4,900 (2021: £4,900).

During the year, the company paid £10,000 (2021: £10,000) to MMC Ventures Limited, a company controlled by a director of Elder, Bruce Macfarlane, in respect of monitoring services.

ELDER TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

28 Ultimate controlling party

At the year end, the controlling party was Mainspring Nominees Limited, a company incorporated in England and Wales whose registered office is at 27 Fumival Street, London, England, EC4A 1JQ. The results of the company for the year ending 31 March 2022 are not included in the consolidated financial statements of Mainspring Nominees Limited.

However from 7 September 2022, Acton Fund V GmbH & Co. KG, a company incorporated in Germany whose registered office is at Widenmayerstr. 29, 80538 München, Germany, became the ultimate controlling party of the company.

29 Cash absorbed by operations

	2022 £	2021 £
Loss for the year after tax	(5,782,135)	(2,357,307)
Adjustments for:		
Taxation credited	(702,452)	(584,759)
Finance costs	415,605	80,042
Investment income	(2)	(169)
(Gain)/loss on disposal of tangible fixed assets	-	11,037
Amortisation and impairment of intangible assets	1,023,152	693,740
Depreciation and impairment of tangible fixed assets	43,524	43,857
Equity settled share based payment expense	55,545	56,326
Movements in working capital:		
Increase in debtors	(48,344)	(419,184)
Increase in creditors	769,748	604,482
Cash absorbed by operations	(4,225,359)	(1,871,935)

30 Analysis of changes in net funds/(debt)

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	2,193,802	(233,558)	1,960,244
Borrowings excluding overdrafts	(412,684)	(3,587,759)	(4,000,443)
Convertible loan notes	-	(2,032,877)	(2,032,877)
	1,781,118	(5,854,194)	(4,073,076)

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.