

DEAZY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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DEAZY LIMITED
REGISTERED NUMBER: 10305788

BALANCE SHEET
AS AT 31 DECEMBER 2022

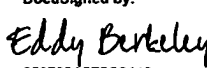
| | Note | 2022 £ | Unaudited as restated 2021 £ |
|--|------|-------------------------|---------------------------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 988,702 | 424,143 |
| Tangible assets | 5 | 27,862 | 18,697 |
| | | <u>1,016,564</u> | <u>442,840</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 1,432,537 | 919,973 |
| Cash at bank and in hand | | 3,708,424 | 5,349,766 |
| | | <u>5,140,961</u> | <u>6,269,739</u> |
| Creditors: amounts falling due within one year | 7 | (1,516,114) | (961,229) |
| Net current assets | | <u>3,624,847</u> | <u>5,308,510</u> |
| Total assets less current liabilities | | <u>4,641,411</u> | <u>5,751,350</u> |
| Net assets | | <u><u>4,641,411</u></u> | <u><u>5,751,350</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 422 | 422 |
| Share premium account | | 6,355,222 | 6,345,222 |
| Other reserves | | 188,546 | 152,690 |
| Profit and loss account | | (1,902,779) | (746,984) |
| | | <u>4,641,411</u> | <u>5,751,350</u> |

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

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

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

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

DocuSigned by:

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E J Berkeley
Director

Date: 04 August 2023

DEAZY LIMITED
REGISTERED NUMBER: 10305788

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The notes on pages 3 to 10 form part of these financial statements.

DEAZY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Deazy Limited ('the company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2022 (2021: 16 month period ended 31 December 2021).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

While the company has made a loss in the period, cash reserves of £3.7 million were held at the balance sheet date and significant cash reserves are maintained at the date of signing. Working capital continues to be tightly managed and the directors have the ability to minimise discretionary spend if required. Based on this, the directors have reasonable expectations that the company has adequate resources to continue in operational existence to meet its financial obligations as they fall due for at least 12 months from the date of signing of these financial statements. On this basis, the directors have prepared these financial statements on a going concern basis.

2.3 Foreign currency translations

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

DEAZY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Revenue to provide services is recognised in the period in which the services are provided, in accordance with the stage of the statement of work. Following the initial term stated in the contract revenue is recognised on a rolling basis.

Where a stage of the agreement has been partially completed at the balance sheet date, revenue represents the fair value of the service provided towards the completion of the stage.

Where income has not been invoiced at the year end the amount of revenue earned is recorded as accrued income and is included as part of the debtors due within one year. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

In accordance with FRS102, Deazy acts as a principal in respect of services provided to their clients. The equal and opposite costs of these transactions are included within cost of sales and have a nil gross profit impact.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

DEAZY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.8 Share-based payments**

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

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

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

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.10 Exceptional items

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

2.11 Intangible assets

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

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

The estimated useful lives range as follows:

| | | | |
|-------------------------|---|---|-------|
| Development expenditure | - | 5 | years |
| Website costs | - | 5 | years |

DEAZY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|--------------------|---|-----|
| Computer equipment | - | 20% |
|--------------------|---|-----|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Prior year adjustment

The comparative figures have been restated to include the intangible assets previously recognised as an expense. The value of intangibles not included in prior year is £418,606. The reclassification was necessary to give a true and fair reflection of the nature of the expenses.

The loss in 2021 was £710,074 before the adjustments. After the prior period adjustment the loss for the period was £291,468

2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

DEAZY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Employees

The average monthly number of employees, including directors, during the year was 28 (2021: 16).

4. Intangible assets

| | Development expenditure £ | Other intangible assets £ | Total £ |
|--|---------------------------------|------------------------------------|------------|
| Cost | | | |
| At 1 January 2022 (as previously stated) | - | 19,743 | 19,743 |
| Prior Year Adjustment | 483,306 | - | 483,306 |
| At 1 January 2022 (as restated) | 483,306 | 19,743 | 503,049 |
| Additions | 739,523 | - | 739,523 |
| At 31 December 2022 | 1,222,829 | 19,743 | 1,242,572 |
| Amortisation | | | |
| At 1 January 2022 (as previously stated) | - | 14,206 | 14,206 |
| Prior Year Adjustment | 64,700 | - | 64,700 |
| At 1 January 2022 (as restated) | 64,700 | 14,206 | 78,906 |
| Charge for the year | 171,015 | 3,949 | 174,964 |
| At 31 December 2022 | 235,715 | 18,155 | 253,870 |
| Net book value | | | |
| At 31 December 2022 | 987,114 | 1,588 | 988,702 |
| At 31 December 2021 (as restated) | 418,606 | 5,537 | 424,143 |

DEAZY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

| | Computer equipment £ |
|-----------------------|----------------------------|
| Cost | |
| At 1 January 2022 | 24,939 |
| Additions | 16,518 |
| At 31 December 2022 | <u>41,457</u> |
| Depreciation | |
| At 1 January 2022 | 6,242 |
| Charge for the year | 7,353 |
| At 31 December 2022 | <u>13,595</u> |
| Net book value | |
| At 31 December 2022 | <u>27,862</u> |
| At 31 December 2021 | <u>18,697</u> |

6. Debtors

| | 2022 £ | Unaudited 2021 £ |
|--------------------------------|------------------|------------------------|
| Trade debtors | 1,244,970 | 801,386 |
| Other debtors | 13,807 | 15,470 |
| Prepayments and accrued income | 173,760 | 103,117 |
| | <u>1,432,537</u> | <u>919,973</u> |

DEAZY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Creditors: Amounts falling due within one year

| | 2022 £ | Unaudited 2021 £ |
|------------------------------------|------------------|------------------------|
| Trade creditors | 839,563 | 480,429 |
| Other taxation and social security | 496,894 | 353,808 |
| Other creditors | 15,611 | 8,784 |
| Accruals and deferred income | 164,046 | 118,208 |
| | <u>1,516,114</u> | <u>961,229</u> |

8. Share-based payments

The company has a number of share options for certain employees of the company. The options are granted with fixed exercise price and are exercisable upon exit events. Employees are required to remain in employment with the company at exercise.

The fair value of options granted is calculated at the date of grant, using a Black-Scholes option pricing model.

During the year, the charge for the equity-settled share-based payment was £35,856 (2021: £152,690).

No shares were exercised in the current or prior periods.

| | Weighted average exercise price (pence) 2022 | Number 2022 | Weighted average exercise price (pence) 2021 | Number 2021 |
|---|---|----------------|---|----------------|
| Outstanding at the beginning of the year | 1.53 | 47,747 | 1.53 | 47,747 |
| Exercised during the year | 1.4 | (7,143) | | - |
| Outstanding at the end of the year | | <u>40,604</u> | | <u>47,747</u> |

9. Pension commitments

The Company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,975 (2021: £22,406). Contributions totaling £7,926 (2021: £5,683) were payable to the fund at the balance sheet date and are included in creditors.

DEAZY LIMITED

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

10. Related party transactions

The directors are of the opinion that remuneration paid to the directors during the current and prior year was under normal market conditions. Therefore, the company has opted not to disclose directors remuneration as related party transactions. The directors are the only key management personnel of the company.

11. Ultimate controlling party

The directors consider there to be no single ultimate controlling party.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 04 August 2023 by Steve Leith (senior statutory auditor) on behalf of Cooper Parry Group Limited.