E-Crunch Ltd

Registered number: 06014477

Annual Report

For the year ended 31 March 2022

COMPANY INFORMATION

Directors	M Van Swaaij D J Fell G B Myles
Company secretary	S Paynter
Registered number	06014477
Registered office	86-90 Paul Street London England EC2A 4NE
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their Strategic Report for E-Crunch Ltd (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 Marc

Review of the business

The principal activity of the group continues to be that of accounting software and service. The results of the group are shown after the res

Turnover fell by 11.38% to £8,788,894 (2021: £9,918,051). The decrease in revenue is driven by the decrease in client numbers as a r which is far-reaching across the economy. Crunch has fared well when compared with our direct competitors who in some cases have see

Throughout the year Crunch continued to focus on actively managing costs while enhancing client experience by investing in the softw 24,363 an increase of 51.84%.

Our EBITDA for 2022 for the group after the engineering adjustment was £765,339 and prior to the adjustment £1,747,288 (2021: £1,750,

The loss after taxation for the year and prior to engineering adjustment was £258,125. After expending a large part of the engineering cos to £1,240,074 (2021 loss: £51,630). The loss after taxation and attributable to E-Crunch Ltd prior to engineering adjustment was £119,4 loss: £51,900). No dividend has been paid or proposed (2021: £nil).

Future developments

The Group will continue to consolidate its position in light of the pandemic, concentrating its efforts on achieving stability and maximum (operations through cost reduction, production, process, efficiencies, and furthering our software development.

Principal risks and uncertainties

We consider the key risks and uncertainties affecting Crunch and the group to be the economy, the availability of highly skilled staff, inflati these risks and uncertainties, we continue to ensure that we innovate our software platform, offer competitive packages, and continue to l

Financial risk management objectives and policies

The group's activities expose it to a number of financial risks including liquidity and credit risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the grou maintaining adequate reserves.

Credit risk

The group's financial assets are cash and cash equivalents and trade and other receivables. The group's credit risk is primarily attributab sheet are net of an allowance for the expected credit loss. An allowance for impairment is made where there is an identified loss event managed by maintaining good customer relationships and monitoring of credit levels and settlement periods.

Coronavirus pandemic and Cost of living crisis

The directors continue to monitor the recovery of Crunch and the group from the coronavirus pandemic with regard to the well-being of c advantage of a changing market.

The withdrawal of the United Kingdom from the European Union

Following the UK's exit from the EU on 31 January 2020 and the end of the transition period on 31 December 2020, the directors contin quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom c expect any changes in trading arrangements to have a significant impact on the company.

Disabled persons

Crunch and the Group gives full consideration to applications for employment from disabled persons. Where the requirements of the job c disabled, it is the parent company and Group's policy wherever practicable to provide continuing employment under normal terms and co employees wherever appropriate.

Research and development

During the year the Crunch group continued to undertake research and development which is aimed at improving processes, creating n long as it supports profitable revenue growth.

Key financial performance indicators

The directors consider the following to be key financial performance indicators of the Company:

E-Crunch - Group

	2022		
	£	Margin	£
Turnover	8,788,894		9,918
Cost of Sales	(4,874,478)		(5,585
Gross Profit	3,914,416	44.5%	4,332
Other Operating Income	826,667		564
Administrative expenses before engineering costs write back	(2,993,795)	34.1%	(3,146
EBITDA	1,747,288	19.9%	1,750
Adjusted administrative expenses	(3,975,744)	45.2%	(3,146
Loss for the year	(1,240,074)		(51
After the write-back of Engineering costs			
Engineering Costs	(981,949)		
Adjusted EBITDA	**765,339**	8.7%	**1,750**
Loss for the year	**(1,240,074)**		**(51**

Key financial performance indicators (continued)

E-Crunch Ltd

	2022		
	£	**Margin**	**£**
Turnover	8,479,003		9,077,
Cost of Sales	(4,567,235)		(4,753,
Gross Profit	**3,966,869**	46.8%	**4,323,**
Other Operating Income	826,666		564,
Administrative expenses before engineering costs write back	(2,852,513)	33.6%	(3,138,
EBITDA	**1,894,294**	22.3%	**1,749,**
Adjusted administrative expenses	(3,834,462)	43.5%	(3,138,
Loss for the year	**(119,490)**		**(51,**
After the write-back of Engineering costs			
Engineering Costs	(981,949)		
Adjusted EBITDA	**912,345**	10.76%	**1,749,**
Loss for the year	**(1,101,439)**		**(51,**

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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

D J Fell
Director

Date: 28 March 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and the audited consolidated financial statements of E-Crunch Ltd (the 'Company') for the year e

Principal activity

The principal activity of the Group and Company during the year was the provision of cloud accounting and tax software.

Results and dividends

Detailed below are the results of the group and a summary of the primary member E-Crunch Ltd.

Turnover fell in E-Crunch Ltd by 6.59% to £8,479,003 (2021: £9,077,092) and the Group by 11.38% to 8,788,894 (2021: £9,918,051). Gi large part of the engineering costs of the financial year 2022 rather than amortising them as was done in the past, resulting in a book l Group £1,240,074 (see below) (2021: £51,630). No dividend has been paid or proposed (2021: £nil).

Directors

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

M Van Swaaij
D J Fell
G B Myles

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view c Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explaine
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in bu

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactio Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The directors have a reasonable expectation that Crunch and the Group as a whole have adequate resources to continue its operationa going concern basis in the accounts. Crunch and the Group's activities, together with factors likely to affect its future development, per directors continue to monitor the impact of world events, such as the Coronavirus pandemic, with particular regard to the well-being of directors have performed stress testing of cash flow forecasts to take account of events that could impact the financial position of the Gı the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt th

Matters covered in the Group Strategic Report

As permitted in paragraph 1A of Schedule 7 to Large and Medium-sized Companies and Groups (accounts and reports) Regulations 20 been omitted as they are included in the Strategic Report on pages 1 to 4. These matters relate to future developments.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and these indemnities has been received in the period.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; ar
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit inforn information.

Post balance sheet events

During quarter 3 of 2021 the company opened an equity investment raise via an online platform Seedrs. The raise closed after the year's the investment raise was to convert a loan made by the chairman Michael van Swaaij. Since the year's end, the loan was subsequently cc transaction, or event of material nature has occurred, in the opinion of the Directors, that is likely to significantly affect the operations of C or the Group in future financial years.

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

D J Fell
Director

Date: 28 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E-CRUNCH LTD

Opinion

We have audited the financial statements of E-Crunch Ltd (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 M
Income, the Group Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Group Consolida
summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard
Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the parent Company's affairs as at 31 March 2022 and of the Group's loss f
- 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
audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirement
FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that th
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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individuall
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 rep

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's repo
the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise ex
thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are requ statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other informat

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we h 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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E-CRUNCH LTD

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation o
and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from m

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concerr
concern basis of accounting unless the directors intend either to liquidate the Company or to cease operations, or have no realistic alterna

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 misstateme
opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK)
from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the ecoı

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsil
including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulation
health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relat

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material r
limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance v
compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance thr
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislat

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial state risks were related to: posting manual journal entries to manipulate financial performance, management bias through judgements and a recognition which we pinpointed to the cut off assertion, and significant one-off or unusual transactions.

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's we auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 200 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 and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Gerhard Bonthuys (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza
Sutton Court Road
Sutton

Surrey
SM1 4FS

28 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

Turnover

Cost of sales

Gross profit

Administrative expenses

Amortisation expense

Depreciation expense

Other operating income

Operating (loss)/profit

Interest payable and similar expenses

Loss before tax

Tax on loss

Loss for the financial year

Other comprehensive income

Total comprehensive expense for the year

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

The notes on pages 20 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	
Fixed assets		
Intangible assets	**12**	
Tangible fixed assets	**13**	
Current assets		
Debtors: Amounts falling due within one year	**15**	1,228,323
Cash and cash equivalents	**16**	518,122
		1,746,445
Creditors: Amounts falling due within one year	**17**	(3,078,156)
Net current liabilities		
Total assets less current liabilities		
Creditors: Amounts falling due after more than one year	**18**	
Net assets		
Capital and reserves		
Called up share capital	**19**	
Share premium account	**20**	
Capital redemption reserve	**20**	
Other reserves	**20**	
Profit and loss account	**20**	
Total equity		

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

D J Fell
Director

Date: 28 March 2023

The notes on pages 20 to 41 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	
Fixed assets		
Intangible assets	**12**	
Tangible fixed assets	**13**	
Investments in subsidiaries	**14**	
Current assets		
Debtors: Amounts falling due within one year	**15**	1,421,833
Cash and cash equivalents	**16**	486,466
		1,908,299
Creditors: Amounts falling due within one year	**17**	(3,018,284)
Net current liabilities		
Total assets less current liabilities		
Creditors: Amounts falling due after more than one year	**18**	
Net assets		
Capital and reserves		
Called up share capital	**19**	
Share premium account	**20**	
Capital redemption reserve	**20**	
Other reserves	**20**	
Profit and loss account	**20**	
Total equity		

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its o tax of the parent Company for the year was £1,101,440 (2021: £51,900).

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

D J Fell
Director

Date: 28 March 2023

The notes on pages 20 to 41 form part of these financial statements.

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

	Called up share capital	Share premium account
	£	£
At 1 April 2020	305,993	1,089,459
Comprehensive expense for the year		
Loss for the year	-	-
Total comprehensive expense for the year	-	-
Shares issued during the year	600	4,386
At 1 April 2021	306,593	1,093,845
Comprehensive expense for the year		
Loss for the year	-	-
Share based payment income	-	-
Total comprehensive expense for the year	-	-
Shares issued during the year	413	5,482
Prepayment of shares	-	-
At 31 March 2022	307,006	1,099,327

The notes on pages 20 to 41 form part of these financial statements.

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

	Called up share capital	Share premiur account
	£	£
At 1 April 2020	305,993	1,089,459
Comprehensive expense for the year		
Loss for the year	-	-
Total comprehensive expense for the year	-	-
Shares issued during the year	600	4,386
At 1 April 2021	306,593	1,093,845
Comprehensive expense for the year		
Loss for the year	-	-
Share based payment	-	-
Total comprehensive expense for the year	-	-
Shares issued during the year	413	5,482
Prepayment of shares	-	-
At 31 March 2022	307,006	1,099,327

The notes on pages 20 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

Cash flows from operating activities

Loss for the financial year

Adjustments for:

Amortisation of intangible assets

Depreciation of tangible assets

Interest paid

Increase in debtors

Increase in creditors

R&D grant income

Net cash generated from operating activities

Cash flows from investing activities

Purchase of intangible fixed assets

Purchase of tangible fixed assets

Sale of tangible fixed assets

Net cash used in investing activities

Cash flows from financing activities

Issue of ordinary shares

New loan issued

Repayment of loans

Interest paid

Prepayment of shares

Net cash generated generated from/(used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of year

Cash and cash equivalents at the end of year

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand

The notes on pages 20 to 41 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022

Cash at bank and in hand

Debt due after 1 year

Debt due within 1 year

The notes on pages 20 to 41 form part of these financial statements.

1. General information

E-Crunch Ltd is a private company, limited by shares and incorporated in England and Wales. The address of its registered office

The principal activity of the Group and Company during the year was the provision of cloud accounting and tax software.

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 . Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environmen

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not pre

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estima accounting policies (see note 3).

The consolidated financial statements present the results of E-Crunch Ltd including its subsidiaries, Crunch Umbrella International Ltd.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if th companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The directors have a reasonable expectation that Crunch and the Group as a whole have adequate resources to continue it adopt the going concern basis in the accounts. Crunch and the Group's activities, together with factors likely to affect its futu ongoing basis. The directors continue to monitor the impact of world events, such as the Coronavirus pandemic, with par software and support clients. The directors have performed stress testing of cash flow forecasts to take account of events t reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for t in preparing the annual report and accounts.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover car received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance v satisfied:

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

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at c

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the rec costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amo

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the use

The estimated useful lives range as follows:

Software	-	5 years
Intellectual Property	-	10 years

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulatec to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by mana

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the rec costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amo

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- reducing balance over 10 years
Fixtures and fittings	- straight line 20%
Office equipment	- reducing balance 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, o

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in th

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not mor more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignific

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayab

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liab parties, loans to related parties and investments in ordinary shares.

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts rece and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if t 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 of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cos 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 ob impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any imp

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an as approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured amortised cost using the effective interest method.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixe assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as t

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Group's functional and presentation currency is Pounds Sterling.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at 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 exch recognised in the Consolidated Statement of Comprehensive Income.

All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.14 Interest payable and similar expenses

Interest payable and similar expenses are charged to profit or loss over the term of the debt using the effective interest meth costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 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 adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulati

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contribu

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, meas 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

2. Accounting policies (continued)

2.16 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the leas the time pattern over which the lessor's benefit from the leased asset is diminished.

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the the lessee's benefit from the use of the leased asset.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under whic have been paid the Group 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 separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.19 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other c 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 e operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reportir

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, w acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired rates and laws that have been enacted or substantively enacted by the reporting date.

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

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in dete estimates and assumptions are based on the best and most reliable evidence available at the time when The decisions are made, applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results an

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, if the revision affects both current and future years.

3.1 Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Group's accounting policies that have the mos are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment, the directors have considered both external and internal s experience of recoverability. There have been no indicators of impairments identified during the current financial year.

(ii) Useful life and impairment of intangible assets

The useful life of intangible assets are assessed with reference to past experience and current development of the continuously e useful life on an ongoing basis and considers new developments when determining the useful life of previously recognised assets

A regular assessment is performed to determine whether there are any indicators of impairment to the intangible assets held.

(iii) Assessing the recoverability of R&D tax credit receivable

Management estimation is required to determine the amount of research and development tax credit that can be recognised, base

3.2 Key sources of estimation uncertainty

Indicators of impairment are subject to estimations about future trading levels, which are estimated with reference to past activ transactions in a similar market for similar assets.

4. Turnover

Turnover

Turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

5. Other operating income

Net rents receivable

Government grants receivable

Sundry income

Government grants receivable relate to research and development tax credits.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

Depreciation of tangible fixed assets

Amortisation of intangible assets

Exchange differences

Other operating lease rentals

Defined contribution pension cost

7. Auditor's remuneration

Fees payable to the Group's auditor for the audit of the Group's annual financial statements

Taxation services

All other services

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £
Wages and salaries	3,291,364
Social security costs	348,718
Cost of defined contribution scheme	98,215
	3,738,297

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.
Administrative and other	122

Directors are considered to be key management personnel.

9. Directors' remuneration

Directors' emoluments

Company contributions to defined contribution pension schemes

The highest paid director received remuneration of £132,000 (2021: £138,377).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director

During the year 1 (2021: 2) director received pension contributions.

10. Interest payable and similar expenses

Interest payable

11. Taxation

Current tax on losses for the year

Total current tax

Deferred tax

Total deferred tax

Taxation on loss

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021:

Loss before tax

Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)

Effects of:

Fixed assets - permanent differences

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment

Income not taxable for tax purposes

Adjustment in respect of prior periods

Deferred tax not recognised

Total tax charge for the year

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will
to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% ra

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

12. Intangible assets

Group and Company

Cost

At 1 April 2021

Additions

At 31 March 2022

Amortisation

At 1 April 2021

Charge for the year

At 31 March 2022

Net book value

At 31 March 2022

At 31 March 2021

All intangible assets are held by the parent company.

Amortisation charges are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Incom

Additional software development costs amounted to £1,691,742. Due to a fall in revenue, and in line with our accounting policie

13. Tangible fixed assets

Group and Company

	Leasehold improvements
	£
Cost	
At 1 April 2021	53,784
Additions	-
Disposals	-
At 31 March 2022	53,784
Depreciation	
At 1 April 2021	29,348
Charge for the year	4,643
Disposals	-
At 31 March 2022	33,991
Net book value	
At 31 March 2022	19,793
At 31 March 2021	24,436

14. Fixed asset investments

Company

Cost

At 1 April 2021

Additions

At 31 March 2022

Net book value

At 31 March 2022

At 31 March 2021

The addition in the year relates to the Company's acquisition of 100% of the share capital of Crunch International Ltd.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal act
Crunch Academy Ltd	The Knoll Business Centre, 325-327 Old Shoreham Road, Hove, East Sussex, England, BN3 7GS	Accountancy
Crunch Investment and Pensions Ltd	The Knoll Business Centre, 325-327 Old Shoreham Road, Hove, East Sussex, England, BN3 7GS	Dormant
Crunch Umbrella Ltd	The Knoll Business Centre, 325-327 Old Shoreham Road, Hove, East Sussex, England, BN3 7GS	Employment
Crunch International Ltd	Beachside Business Centre Rue Du Hocq St Clement Jersey JE2 6LF	Accountancy

All subsidiary undertakings are incorporated in England and Wales except for Crunch International Ltd which is incorporated in

15. Debtors: Amounts falling due within one year

	Group 2022 £
Trade debtors	377,345
Amounts owed by group undertakings	-
Other debtors	9,300
Prepayments and accrued income	163,495
R&D tax credit receivable	678,183
	1,228,323

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

16. Cash and cash equivalents

	Group 2022 £
Cash at bank and in hand	518,122

17. Creditors: Amounts falling due within one year

	Group 2022 £
Bank loans	540,929
Other loans	81,477
Trade creditors	361,733
Other taxation and social security	1,249,915
Deferred tax R&D credit	254,138
Other creditors	294,865
Accruals and deferred income	295,099
	3,078,156

During August 2021, the Company obtained a commercial loan of £250,000 attracting an interest rate of nil%. An upfront a
August 2021. The repayment date of the loan will be 30 June 2022 and will be repaid in equal installments over the 10 months

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

	Group 2022 £
Bank loans	491,118
Other loans	243,517
Other creditors	-
	734,635

On 18 November 2019, the Company received a bank loan of £1,470,000, interest is paid at 3.95% per annum plus the Floating I quarterly installments of £101,766 per quarter. During the prior year the Company agreed a payment holiday of 12 months from J 12 months accordingly.

The above loan is secured by a cross guarantee and debenture between the Company, its subsidiaries Crunch Academy Ltd, (directorships and shareholders.

The loan is further secured by a guarantee for £100,000 from Darren James Fell, a director of the Company, in favour of Barclays

During August 2021, M Van Swaaij made a convertible loan to the Company of £250,000. The loan is unsecured and attracts ar month for the duration of the loan. Capital repayments are due from month 7 of the loan being granted. The final repayment date of a notice or if an investment raising event occurs.

19. Called up share capital

Allotted, called up and fully paid

3,034,120 (2021: 3,034,120) Ordinary A shares of £0.10 each
35,940 (2021: 31,810) B Investment shares of £0.10 each

On 24 May 2021, the Company issued 380 shares at par value. Consideration received in excess of nominal value was £382 and

On 12 July 2021, the Company issued 1,500 shares at par value. Consideration received in excess of nominal value was £2,040 a

On 13 August 2021, the Company issued 750 shares at par value. Consideration received in excess of nominal value was £1,020

On 3 January 2022, the Company issued 1,500 shares at par value. Consideration received in excess of nominal value was £2,04

Ordinary A shares hold equal voting rights. B Investment shares do not carry any voting rights.

20. Reserves

Share premium account

This reserve represents the amount above the par value received for issued share capital, less transaction costs.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents shares to be issued arising from share based payme

Other reserves

This reserve represents prepaid share capital to be called up post year end.

Profit and loss account

This reserve represents the cumulative profits and losses.

21. Share based payments

The Company has a share incentive scheme by which it grants options to certain staff members to subscribe to shares in the outstanding are as follows:

	Weighted average exercise price (pence) 2022
Outstanding at the beginning of the year	118.10
Forfeited during the year	146.00
Exercised during the year	143.00
Outstanding at the end of the year	116.00

Option pricing model used

Exercise price (pence)

Weighted average contractual life (days)

Expected volatility

Expected dividend

Risk-free interest rate

Total (income)/expense for the year

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Gr contributions payable by the Group to the fund and amount to £98,215 (2021: £119,547). Contributions totalling £23,525 (2021: £ other creditors.

23. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leas

Group and Company

Not later than 1 year

Later than 1 year and not later than 5 years

Later than 5 years

24. Operating leases: the Company as a lessor

At 31 March 2022 the Group and the Company had future minimum lease receivables due under non-cancelable operating lea

Not later than 1 year

Later than 1 year and not later than 5 years

25. Other financial commitments

There is a cross guarantee and debenture between Crunch Academy Ltd, Crunch Accounting Ltd and Crunch Umbrella Ltd d company, received from Barclays Bank PLC.

26. Related party transactions

During the year the Company made sales of £180,000 (2021: £180,000) for operational support and made purchases of £1,38 which, at the year end, has common shareholders. As at 31 March 2022, £163,591 (2021: £192,599) was due to Crunch Accou

During the year, the Company received services of £318 (2021: £nil), paid £8 (2021: £nil) from Devlin Design, a related party a balance was written off.

During the year Darren Fell loaned £3,000 (2021: £nil) to the Company. This amount is included in creditors.

At the year end Crunch Umbrella Ltd owed £7,368 (2021: £7,368) to Crunch Accounting Ltd. This amount is included in credito

At the year end Crunch Academy Ltd owed £6,981 (2021: £3,854) to Crunch Accounting Ltd. This amount is included in credito

During August 2021, M Van Swaaij, a director, made a convertible loan to the Company of £250,000. The loan is unsecured each calendar month for the duration of the loan. Capital repayments are due from month 7 of the loan being granted. The Director upon issuance of a notice or if an investment raising event occurs.

27. Post balance sheet events

During quarter 3 of 2021 the company opened an equity investment raise via an online platform Seedrs. The raise closed afte condition of the investment raise was to convert a loan made by the chairman Michael van Swaaij. Since the year's end, the loan this report, no item, transaction, or event of material nature has occurred, in the opinion of the Directors that is likely to significan the state of affairs of Crunch or the Group in future financial years.

28. Controlling party

The ultimate controlling party of the Company and Group, consists of the directors who own 61% of the share capital.