

CROWD TECHNOLOGIES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 MARCH 2021

CROWD TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07055592

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	31 March 2021 £	31 October 2020 £
Fixed assets			
Intangible assets		793,866	741,616
Tangible fixed assets	5	6,565	10,586
		<hr/> 800,431	<hr/> 752,202
Current assets			
Debtors: amounts falling due within one year	6	331,156	280,671
Cash at bank and in hand		114,411	27,212
		<hr/> 445,567	<hr/> 307,883
Creditors: amounts falling due within one year	8	(631,827)	(599,288)
Net current liabilities		<hr/> (186,260)	<hr/> (291,405)
Total assets less current liabilities		<hr/> 614,171	<hr/> 460,797
Creditors: amounts falling due after more than one year	9	(264,446)	(47,651)
Net assets		<hr/> <hr/> 349,725	<hr/> <hr/> 413,146
Capital and reserves			
Called up share capital	11	1,793	1,793
Share premium account		1,348,398	1,348,398
Other reserves		4,174	4,174
Profit and loss account		(1,004,640)	(941,219)
		<hr/> <hr/> 349,725	<hr/> <hr/> 413,146

CROWD TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07055592

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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:

S Pomeroy
Director

Date: 21 March 2022

The notes on pages 3 to 12 form part of these financial statements.

CROWD TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

1. General information

Crowd Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8-10 Mansion House Place, London, England, EC4N 8BJ. The registered office up to 29 January 2021 was Lagge Lane, Birmingham, B1 3LD.

The principal activity of the Company is the provision of an online platform to enable visibility and monitoring of social media accounts.

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 financial statements are presented in pound Sterling, the functional currency of the Company, and rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

During the period ended 31 March 2021, the global pandemic, COVID-19, continued to impact the World. The Company's sales were impacted in the year however the Group to which it belongs continued to trade well during the pandemic and the Group exceeded expectations for budgets set for the year.

The Directors have prepared budgets and cash flow forecasts for a period of at least 12 months from the approval of the financial statements. These forecasts show the Company, and the Group to which it belongs, to have the necessary resources to continue the growth expected and to operate as a going concern. Therefore, the Directors have prepared the financial statements on the going concern basis.

2.3 Revenue

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.4 Operating leases: the Company as lessee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Research and development

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

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 of 5 years.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

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.

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The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

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 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:

Plant and machinery	-	25-33%
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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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.11 Debtors**

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

2.12 Cash and cash equivalents

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

2.13 Creditors

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

2.14 Financial instruments

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

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

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

Basic financial assets

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

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 bank loans, trade creditors, taxation and social security, and other creditors, 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.

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.

CROWD TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

3. Employees

The average monthly number of employees, including Directors, during the period was 18 (2020 - 19).

4. Intangible assets

	Development expenditure £
Cost	
At 1 November 2020	1,009,490
Additions	136,374
	<hr/>
At 31 March 2021	1,145,864
	<hr/>
Amortisation	
At 1 November 2020	267,874
Charge for the period on owned assets	84,124
	<hr/>
At 31 March 2021	351,998
	<hr/>
Net book value	
At 31 March 2021	793,866
	<hr/> <hr/>
At 31 October 2020	741,616
	<hr/> <hr/>

CROWD TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 November 2020	71,672
Additions	79
Disposals	(52,136)
	<hr/>
At 31 March 2021	19,615
	<hr/>
Depreciation	
At 1 November 2020	61,086
Charge for the period on owned assets	3,004
Disposals	(51,040)
	<hr/>
At 31 March 2021	13,050
	<hr/>
Net book value	
At 31 March 2021	<u>6,565</u>
At 31 October 2020	<u>10,586</u>

6. Debtors

	31 March 2021 £	31 October 2020 £
Trade debtors	182,725	192,514
Other debtors	4,698	-
Prepayments and accrued income	16,712	6,224
Tax recoverable	127,021	81,933
	<hr/>	<hr/>
	<u>331,156</u>	<u>280,671</u>

CROWD TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

7. Cash and cash equivalents

	31 March 2021 £	31 October 2020 £
Cash at bank and in hand	<u>114,411</u>	<u>27,212</u>

8. Creditors: Amounts falling due within one year

	31 March 2021 £	31 October 2020 £
Bank loans	7,308	2,349
Trade creditors	22,475	49,523
Amounts owed to group undertakings	58,316	-
Other taxation and social security	233,502	208,287
Other creditors	10,287	18,806
Accruals and deferred income	299,939	320,323
	<u>631,827</u>	<u>599,288</u>

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

	31 March 2021 £	31 October 2020 £
Bank loans	39,355	47,651
Amounts owed to group undertakings	<u>225,091</u>	<u>-</u>

Included in amounts owed to group undertakings is a loan payable of £250,000, discounted to £225,091. This loan is unsecured, interest bearing at a rate of 5% per annum and repayable from June 2022 to September 2024.

CROWD TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

10. Loans

Analysis of the maturity of loans is given below:

	31 March 2021 £	31 October 2020 £
Amounts falling due within one year		
Bank loans	7,308	2,349
Amounts falling due 1-2 years		
Bank loans	9,464	47,651
Amounts falling due 2-5 years		
Bank loans	27,013	-
Bank loans	2,878	-
	<u>2,878</u>	<u>-</u>
	<u>46,663</u>	<u>50,000</u>

Bank loans represent a Bounce Back Loan. This loan is secured over the assets of the Company, interest bearing at a rate of 2.5% and repayable by October 2026. The bank loan is interest free and subject to a repayment holiday, both for a period of 12 months from the date upon which the loan was drawn down.

11. Share capital

	31 March 2021 £	31 October 2020 £
Allotted, called up and fully paid		
1,034,575 (2020 - 1,035,000) Ordinary Shares shares of £0.001 each	1,035	1,035
757,680 (2020 - 758,000) A Ordinary Shares shares of £0.001 each	758	758
	<u>1,793</u>	<u>1,793</u>

Ordinary shares and A Ordinary shares rank pari passu and each share carries one vote in company general meetings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

12. Share based payments

The Company has taken advantage of transitional exemptions not to apply FRS102 Section 1A to any share-based payment transactions entered into before the transition date of 1 November 2015.

The total number of options granted prior to transition to FRS102 Section 1A that were exercisable at 31 March 2021 were 43,600 (31 October 2020: 43,600). These options have an exercise price ranging from £0.001 per share to £0.625 per share and at 31 March 2021 had an average remaining contractual life of 4.5 years.

The following information therefore only discloses information about share-based payment transactions granted on or after 1 November 2015:

	31 March Weighted average exercise price (pence) 2021	31 March Number 2021	31 October Weighted average exercise price (pence) 2020	31 October Number 2020
Outstanding at the beginning of the year	0.62	11,284	0.62	11,284
Outstanding at the end of the year	0.62	11,284	0.62	11,284

The options outstanding at 31 March 2021 had an exercise price ranging from £0.001 to £0.625 and a remaining contractual life of 6.5 years.

The total number of options exercisable at 31 March 2021, inclusive of those granted prior to 1 November 2015, is 54,884 (2020: 54,884).

	31 March 2021	31 October 2020
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price (pence)	0.62	0.62
Exercise price (pence)	0.62	0.62
Weighted average contractual life (days)	3,650	3,650
Expected volatility	50%	50%
Risk-free interest rate	1.22%	1.22%

No charge has been recognised in the period in relation to equity settled share-based payment transactions (2020: nil).

CROWD TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

13. Pension commitments

The Company operates a defined contributions pension scheme. 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 £4,944 (2020: £19,704). Contributions totalling £6,882 (2020: £10,085) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

During the period ended 31 March 2021, the Company incurred recharged expenses of £58,316 from its ultimate parent company. This balance is included in amounts owed to group undertakings at 31 March 2021.

During the period ended 31 March 2021, the Company received a loan of £250,000 from its ultimate parent company. This balance is included in amounts owed to group undertakings at 31 March 2021.

15. Post balance sheet events

On 28 January 2022, Crowd Technologies Limited secured £350,000 of additional funding through the sale and leaseback of its intellectual property. The funding has been drawn to accelerate the development of its product, infrastructure, and routes to market.

16. Controlling party

Up to 21 December 2020, the Directors did not consider there to be one controlling party of the Company. On 22 December 2020, 80% of the Company's share capital was acquired by Built Environment Communications Group Limited. With effect from 22 December 2020, Built Environment Communications Group Limited are considered to be the ultimate controlling party by virtue of its 80% shareholding.

Copies of the financial statements of Built Environment Communications Group Limited can be obtained from 8-10 Mansion House Place, London, England, EC4N 8BJ.

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.