

Registered number: 08305498

LOSTMY.NAME LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021



LOSTMY.NAME LTD

COMPANY INFORMATION

Directors A Sharabi
R Howell (appointed 22 July 2021)

Company secretary CC Secretaries Limited

Registered number 08305498

Registered office 30-36 Pritchards Road
London
E2 9AP

Independent auditors BDO LLP
55 Baker Street
London
W1U 7EU

LOSTMY.NAME LTD

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LOSTMY.NAME LTD

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

Business review

The financial period ended 31 May 2021 has seen an increase in revenue for the Group of 25.6% (2020: 23.1%) on the comparative period, from £26.1m to £32.8m. This increase in revenue is the result of a successful company strategy, which focuses on profitable revenue growth through broadening our portfolio of books and targeting additional markets and trading occasions throughout the year.

As a result of this commercial success, we have seen gross profit increase from £17.3m to £21.8m. During the year the administrative expenses increased from £14.5m to £17.3m. This increase is explained by the increase in marketing costs required to drive that growth. Post year-end, we have continued to see very strong trading and the Group is in a very strong position for the future following the sale to new owners.

Operational Results Review

	31 May 2021 £000	31 May 2020 £000
Sales	32,804	26,122
Gross Profit	21,842	17,286
GP%	67%	66%
Operating Profit	3,762	2,911

LOSTMY.NAME LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021**

Principal risks and uncertainties

Economic Environment

The global economic environment has deteriorated during the final months of the financial year and post-year end. While the group has not been majorly affected by this to date, the directors will continue to monitor and consider the possible future impact on the group strategy.

Foreign exchange risks

The group's operating expenses are partly invoiced in foreign currencies including Euro and USD denominated transactions and fluctuations in exchange rates is therefore a principal risk to the business. The directors consider that the Group has a partial natural hedge in place as regards to this where receipts and payments are broadly matched.

The FY21 strategy has proven successful for the Group and I am extremely confident that our structure, investments and future strategies will continue to support our ambitions in the coming year.

This report was approved by the board on 23 February 2022 and signed on its behalf.

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Asi Sharabi

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A Sharabi

Director

LOSTMY.NAME LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their report and the financial statements for the year ended 31 May 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is that of publishing books and other personalised products. The company has two wholly owned subsidiaries, Lostmy.name Inc, which is incorporated in the USA and Wonderbly Productions Limited, incorporated in the UK. Together they form 'the group'.

Results and dividends

The profit for the year, after taxation, amounted to £3.1m (2020 - £3.5m).

No dividends have been proposed.

Post balance sheet events

Details of post balance sheet events are set out in note 27 to the accounts.

LOSTMY.NAME LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021**

Going concern

The board have considered the results for the year and assessed the principal risk factors affecting the company, as shown in the notes to the accounts. Based on projections the directors have reasonable expectations that there are no material uncertainties that may cast significant doubt about the Company's and Group's ability to continue as a going concern.

Part of the directors' responsibilities to ensure the use of the going concern basis for these accounts needs to assess the impact of Covid-19 on the activities of the Group. This has been set out in further detail in note 2.4 to the accounts.

The directors have considered going concern following the change in ownership and the new financing structure. With strong post-year end sales and cash position, the directors believe the going concern basis to be appropriate in preparing the accounts.

Directors

The directors who served during the year and up to the date of the financial statements unless otherwise stated were:

A Sharabi
T T Oron (resigned 22 July 2021)
F Heinemann (resigned 22 July 2021)
T Bleyer (resigned 22 July 2021)
R Howell (appointed 22 July 2021)
C Kornblau (resigned 22 July 2021)

Disclosure of information to auditors

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 auditors are unaware, and
- 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 information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 February 2022 and signed on its behalf.

DocuSigned by:

Ash Sharabi

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A Sharabi
Director

LOSTMY.NAME LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOSTMY.NAME LTD

Opinion

We have audited the financial statements of Lostmy.name Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, including a summary of 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 Group's and of the parent Company's affairs as at 31 May 2021 and of the Group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

LOSTMY.NAME LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOSTMY.NAME LTD (CONTINUED)

Other information

The other information comprises the information included in the Group Strategic Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Group Strategic 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.

Opinion 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 Group 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 Group 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 the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

LOSTMY.NAME LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOSTMY.NAME LTD (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.
- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and through reviewing legal correspondence. We corroborated our enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect revenue recognition. We obtained an understanding of the processes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls;
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

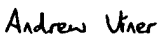
LOSTMY.NAME LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOSTMY.NAME LTD (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

DocuSigned by:

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Andrew Viner (Senior Statutory Auditor)

for and on behalf of
BDO LLP

55 Baker Street

London
W1U 7EU

Date: 23 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LOSTMY.NAME LTD**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021**

	Note	2021 £000	2020 £000
Turnover	4	32,804	26,122
Cost of sales		(10,962)	(8,836)
Gross profit		<u>21,842</u>	<u>17,286</u>
Administrative expenses - ongoing		(17,330)	(14,494)
Administrative expenses - exceptional	13	(777)	-
Total Administrative expenses	6	<u>(18,107)</u>	<u>(14,494)</u>
Other operating income	5	27	119
Operating profit	6	<u>3,762</u>	<u>2,911</u>
Interest receivable and similar income	10	7	4
Interest payable and similar expenses	11	(2)	(34)
Profit before taxation		<u>3,767</u>	<u>2,881</u>
Tax on profit	12	(630)	630
Profit for the financial year		<u><u>3,137</u></u>	<u><u>3,511</u></u>
Total comprehensive income for the year		<u><u>3,137</u></u>	<u><u>3,511</u></u>
Profit for the year attributable to:			
Owners of the parent Company		3,137	3,511
		<u>3,137</u>	<u>3,511</u>
Total comprehensive income for the year attributable to:			
Owners of the parent Company		3,137	3,511
		<u>3,137</u>	<u>3,511</u>

The notes on pages 17 to 37 form part of these financial statements.

LOSTMY.NAME LTD
REGISTERED NUMBER: 08305498


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	1,978	1,379
Tangible assets	15	90	42
		<u>2,068</u>	<u>1,421</u>
Current assets			
Stocks	17	544	528
Debtors: amounts falling due within one year	18	1,158	1,404
Cash at bank and in hand		11,579	6,960
		<u>13,281</u>	<u>8,892</u>
Creditors: amounts falling due within one year	19	(6,348)	(4,449)
Net current assets		<u>6,933</u>	<u>4,443</u>
Net assets		<u><u>9,001</u></u>	<u><u>5,864</u></u>
Capital and reserves			
Called up share capital	23	2	2
Share premium account	24	12,002	12,002
Profit and loss account	24	(3,003)	(6,140)
Equity attributable to owners of the parent Company		<u>9,001</u>	<u>5,864</u>
		<u><u>9,001</u></u>	<u><u>5,864</u></u>

LOSTMY.NAME LTD
REGISTERED NUMBER: 08305498

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2022

DocuSigned by:

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A Sharabi
Director

The notes on pages 17 to 37 form part of these financial statements.

LOSTMY.NAME LTD
REGISTERED NUMBER: 08305498

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	1,978	1,379
Tangible assets	15	90	42
Investments	16	28	28
		<u>2,096</u>	<u>1,449</u>
Current assets			
Stocks	17	544	528
Debtors: amounts falling due within one year	18	1,199	1,445
Bank and cash balances		11,576	6,957
		<u>13,319</u>	<u>8,930</u>
Creditors: amounts falling due within one year	19	(6,420)	(4,525)
Net current assets		<u>6,899</u>	<u>4,405</u>
Total assets less current liabilities		<u>8,995</u>	<u>5,854</u>
Net assets		<u>8,995</u>	<u>5,854</u>
Capital and reserves			
Called up share capital	23	2	2
Share premium account	24	12,002	12,002
Profit and loss account	24	(3,009)	(6,150)
		<u>8,995</u>	<u>5,854</u>


LOSTMY.NAME LTD
REGISTERED NUMBER: 08305498

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2021

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The profit of the company for the year was £3,141k (2020: £3,513k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2022

DocuSigned by:

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A Sharabi
Director

The notes on pages 17 to 37 form part of these financial statements.

LOSTMY.NAME LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 31 May 2019 as previously reported	2	12,001	(9,517)	2,486
Prior period adjustment	-	-	(134)	(134)
At 1 June 2019	2	12,001	(9,651)	2,352
Profit for the year	-	-	3,511	3,511
Shares issued during the year	-	1	-	1
At 31 May 2020	2	12,002	(6,140)	5,864
Profit for the year	-	-	3,137	3,137
At 31 May 2021	2	12,002	(3,003)	9,001

The prior period adjustment noted above related to the year ended 31 May 2019 and accordingly was disclosed in the financial statements for the year ended 31 May 2020.

The notes on pages 17 to 37 form part of these financial statements.

LOSTMY.NAME LTD**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 June 2019 as previously reported	2	12,001	(9,529)	2,474
Prior year adjustment	-	-	(134)	(134)
At 1 June 2019	2	12,001	(9,663)	2,340
Profit for the year	-	-	3,513	3,513
Shares issued during the year	-	1	-	1
At 1 June 2020	2	12,002	(6,150)	5,854
Profit for the year	-	-	3,141	3,141
At 31 May 2021	2	12,002	(3,009)	8,995

The prior period adjustment noted above related to the year ended 31 May 2019 and accordingly was disclosed in the financial statements for the year ended 31 May 2020.

The notes on pages 17 to 37 form part of these financial statements.

LOSTMY.NAME LTD**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	3,137	3,511
Adjustments for:		
Amortisation of intangible assets	683	362
Depreciation of tangible assets	45	42
Interest paid	2	34
Interest received	(7)	(4)
(Increase) in stocks	(16)	(180)
Decrease/(increase) in debtors	246	(713)
Increase in creditors	2,099	2,139
Net cash generated from operating activities	6,189	5,191
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,282)	(1,373)
Purchase of tangible fixed assets	(93)	(34)
Interest received	7	4
Net cash from investing activities	(1,368)	(1,403)
Cash flows from financing activities		
Issue of ordinary shares	-	1
Repayment of loans	(200)	(300)
Interest paid	(2)	(34)
Net cash used in financing activities	(202)	(333)
Net increase in cash and cash equivalents	4,619	3,455
Cash and cash equivalents at beginning of year	6,960	3,505
Cash and cash equivalents at the end of year	11,579	6,960
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,579	6,960
	11,579	6,960

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. General information

Lostmy.name Ltd is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company has taken advantage of the exemption allowed under the Companies Act 2006 and has not presented its own Statement of Cash Flows in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional currency and presentation currency is GBP.

Transactions and balances

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.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Foreign exchange gains and losses are included within administrative expenses.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.4 Going Concern**

The financial statements have been prepared on a going concern basis.

The Covid-19 pandemic has had wide-ranging implications for the economy as a whole but, to date, limited and mixed impact on the Group. The directors are working to ensure that the impacts on going concern are mitigated as below. Management are monitoring the situation and have modelled a variety of different scenarios. The Group has also considered a worst-case scenario, again as below, to ensure it fully understands what actions are needed, if appropriate, to ensure it can continue its operations for the foreseeable future.

The management of the Group has analysed the current financial strength of the business and prepared forecasts, including implications on the group's cash flow based on a variety of scenarios. These have included scenarios that model severe loss of business or restrictions to cash flow as a result of a potential ongoing significant decline in the economic environment of our customers over the next twelve months from the date of approval of the financial statements and beyond including downside stress testing in line with the FRC guidance issued on 26th March 2020.

The sale of the Group to Aardvark Bidco Ltd means the Group has additional financial support if required. This only strengthens the case for going concern for the Group.

The Board is satisfied given current trading and the economic environment during the pandemic that the Group is well positioned to withstand future shocks.

Therefore, the Directors are satisfied that the Going Concern basis is the appropriate basis for the preparation of these annual accounts and accordingly the financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Revenue

The Group has seen consistent, profitable, revenue growth throughout the year and this is not thought to present a risk to going concern.

Post year end revenues have remained resilient and year on year growth trends have been maintained.

Operations

Operationally the Group has a resilient network of printhouses and carriers, and has been able to continue shipping orders throughout the period of lockdown with only minor impacts to deliveries to customers in some territories.

There is no suggestion at this time that the Group will be forced to cease operations due to the impact of Covid-19.

Cashflow

The cash position at year end is exceptionally strong and remains so post year end. Post year end trading remains strong and management continue to monitor the situation.

The Directors have prepared a forecast including cash flow projections that indicate that the Group will be able to meet its commitments for at least the 12 months following the approval of these accounts, under various stress testing conditions.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**Mitigating factors**

No mitigating factors have been enacted at this time, however both the directors and management remain alert for anything that could cause a going concern risk.

2.5 Turnover

Revenue from the sale of goods is recognised when the group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer.

Production revenue comprises recharged costs incurred while working on the design of products on the behalf of third parties. Revenue is recognised when the service is delivered which is considered to be the point at which the cost is incurred.

2.6 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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 lease term.

2.7 Interest receivable

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

2.8 Interest payable

Interest payable 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions 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 as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

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

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Deferred taxation assets and liabilities are not discounted.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.12 Exceptional items

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

2.13 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.

Website development costs

Where group companies websites are expected to generate future revenues in excess of the costs of developing these websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites including 'testing' and 'bug fixes' are written off as incurred.

2.14 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.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.14 Tangible fixed assets (continued)**

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:

Fixtures and fittings	- 3 years
Office equipment	- 3 years
Computer equipment	- 3 years

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.

2.15 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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 to 'administrative expenses' on a straight line basis over their expected useful economic lives which is 3 years.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 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.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.19 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 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.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial Assets

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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instruments legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

2.22 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Useful lives of intangible fixed assets (see note 14)

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue. These estimates are reviewed at least annually and changes to these estimates can result in significant variations in the carrying value and amounts charged to the statement of comprehensive income and other comprehensive income.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Sale of goods	32,484	26,038
Production revenue	320	84
	<u>32,804</u>	<u>26,122</u>

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	4,807	4,011
Rest of Europe	6,505	5,886
Rest of the world	21,492	16,225
	<u>32,804</u>	<u>26,122</u>

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****5. Other operating income**

	2021 £000	2020 £000
Sundry income	27	119

This income is formed primarily of rent from subleasing office space. Further income was also received in relation to TV rights over group IP.

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	45	42
Exchange differences	213	214
Other operating lease rentals	223	223
Amortisation of intangibles assets, including goodwill	683	362

7. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	42	38

Fees payable to the Group's auditor and its associates in respect of:

Taxation	7	8
Corporate Finance	346	-

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****8. Employees**

Staff costs, including directors' remuneration, for both the Company and the Group, were as follows:

	Group 2021 £000	Group 2020 £000
Wages and salaries	3,791	3,030
Social security costs	454	365
Cost of defined contribution scheme	91	66
	<u>4,336</u>	<u>3,461</u>

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

	2021 No.	2020 No.
Average Staff	<u>52</u>	<u>42</u>

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	<u>125</u>	<u>122</u>

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4k (year ended 31 May 2020 - £3k).

10. Interest receivable

	2021 £000	2020 £000
Other interest receivable	<u>7</u>	<u>4</u>

11. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	<u>2</u>	<u>34</u>

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****12. Taxation**

	2021 £000	2020 £000
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	630	(630)
Total deferred tax	630	(630)
Taxation on profit on ordinary activities	630	(630)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	3,767	2,881
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	716	547
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	133	2
Fixed asset differences	1	-
Deferred tax not recognised	(220)	(998)
Non-taxable income	-	(14)
Adjust deferred tax for rate differences	-	(167)
Total tax charge for the year	630	(630)

At 31 May 2021, there was a deferred tax losses of £1,446,468 (2020: £5,846,016) brought forward from prior years. However, this was not recognised in the current financial year. In the prior financial year a deferred tax asset of £630,420 was recognised. This has been credited to the P&L in the current financial year (note 22).

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

13. Exceptional items

There were several costs incurred in the year which are deemed to be exceptional in nature. The primary cause of these costs, and a breakdown, has been included below.

Transaction-related costs are one-off costs incurred relating to the post year end sale of the business.

Other exceptional items relate to one-off settlement payments incurred by the Group caused by supply disruptions in the year.

	2021 £000	2020 £000
Transaction-related costs	692	-
Other exceptional items	85	-
	<u>777</u>	<u>-</u>

14. Intangible assets**Group and Company**

	Website £000
Cost	
At 1 June 2020	2,933
Additions	1,282
At 31 May 2021	<u>4,215</u>
Amortisation	
At 1 June 2020	1,554
Charge for the year	683
At 31 May 2021	<u>2,237</u>
Net book value	
At 31 May 2021	<u>1,978</u>
At 31 May 2020	<u>1,379</u>

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

15. Tangible fixed assets**Group**

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 June 2020	112	443	303	858
Additions	-	-	93	93
Disposals	-	-	(78)	(78)
At 31 May 2021	112	443	318	873
Depreciation				
At 1 June 2020	112	438	266	816
Charge for the year	-	2	43	45
Disposals	-	-	(78)	(78)
At 31 May 2021	112	440	231	783
Net book value				
At 31 May 2021	-	3	87	90
At 31 May 2020	-	5	37	42

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

15. Tangible fixed assets (continued)
Company

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 June 2020	112	443	301	856
Additions	-	-	93	93
Disposals	-	-	(78)	(78)
At 31 May 2021	112	443	316	871
Depreciation				
At 1 June 2020	112	438	264	814
Charge for the year	-	2	43	45
Disposals	-	-	(78)	(78)
At 31 May 2021	112	440	229	781
Net book value				
At 31 May 2021	-	3	87	90
At 31 May 2020	-	5	37	42

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

16. Fixed asset investments**Company**

	Investments in subsidiary companies £000
Cost or valuation	
At 1 June 2020	28
At 31 May 2021	<u>28</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Lostmy.name Inc	160 Greentree Drive, Suite 101, Dover, Delaware 19904	Ordinary	100%
Wonderbly Productions Ltd	30-36 Pritchards Road, London, England, E2 9AP	Ordinary	100%

Lostmy.name Inc exists to process payments received from the USA.

Wonderbly Productions Ltd exists to develop television productions from Group IP and was incorporated on 17th April 2020. The company is dormant.

The aggregate of the share capital and reserves as at 31 May 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Lostmy.name Inc	38,903	(763)
Wonderbly Productions Ltd	1	-

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****17. Stocks**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Raw materials and parts	544	528	544	528

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	677	256	471	119
Amounts owed by group undertakings	-	-	247	178
Other debtors	153	243	153	243
Prepayments and accrued income	328	275	328	275
Deferred taxation	-	630	-	630
	1,158	1,404	1,199	1,445

19. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans	-	200	-	200
Trade creditors	3,327	2,302	3,327	2,302
Amounts owed to group undertakings	-	-	73	73
Other taxation and social security	540	536	539	536
Other creditors	8	11	8	14
Accruals and deferred income	2,473	1,400	2,473	1,400
	6,348	4,449	6,420	4,525

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****20. Loans**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Bank loans	-	200	-	200

21. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Financial assets measured at fair value through profit or loss	12,737	7,459	12,734	7,497
Financial liabilities				
Financial liabilities measured at amortised cost	5,808	3,913	5,881	3,916

Financial assets measured at amortised cost comprise cash and cash equivalents, trade and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors and accrued expenses.

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****22. Deferred tax asset****Group**

	2021 £000
At beginning of year	630
Credited to profit or loss	(630)
At end of year	-

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Losses and other deductions	-	630	-	630

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,157,680 (2020 - 10,155,268) Ordinary shares of £0.0001 each	1,016	1,015
4,599,721 (2020 - 4,599,721) Series 'A' shares of £0.0001 each	460	460
1,347,778 (2020 - 1,347,778) Preference shares of £0.0001 each	135	135
1,966,907 (2020 - 1,966,907) Series 'B' shares of £0.0001 each	197	197
	1,808	1,807

During the financial year, the company issued 2,412 ordinary shares for £0.035 per share.

Preference shares carry a preferential right to receive the preference payment, being the total subscription amount paid in respect of the share ahead of any payment to holders of Ordinary shares in the event of a capital distribution. Preference shares may be converted at any time into an Ordinary share and will be automatically converted to an Ordinary share prior to a listing.

Other than the above, both classes rank *pari passu* in all other respects.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

24. Reserves**Share premium account**

Amount subscribed for share capital in excess of nominal value.

Profit and loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

25. Commitments under operating leases

At 31 May 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Not later than 1 year	221	221	221	221
Later than 1 year and not later than 5 years	327	548	327	548
	<u>548</u>	<u>769</u>	<u>548</u>	<u>769</u>

LOSTMY.NAME LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021****26. Related party transactions**

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

Transactions involving directors

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,433,616 (31 May 2020 - £1,254,697).

Project A

The company has transacted with one shareholder throughout the year. Project A Ventures GmbH, has provided services to Lostmy.Name Ltd throughout the year. These services have been at arms length terms and are broken down below. Recharged marketing services is providing software licenses recharged at cost plus pricing. Consulting services relate to providing experts to assist with Group projects during the year.

	2021 £000	2020 £000
Recharged marketing services	30	17
Consulting	20	-
	<u>50</u>	<u>17</u>

27. Post balance sheet events

On 22 July 2021, Aardvark Bidco Limited purchased the entire share capital of Lostmy.Name Ltd. The directors of Aardvark Bidco Limited fully believe in the existing Group strategy, and no major changes to the Group's activities are expected.

Part of the purchase by Aardvark Bidco Ltd was financed with a bank loan from Santander Bank plc. As part of the new group structure, Lostmy.Name Ltd has a charge secured on it's assets in relation to this loan.

This is a non-adjusting post balance sheet event and no adjustments were required to be made to the figures reported in these financial statements in this respect.

28. Controlling party

There is no ultimate controlling party.

LOSTMY.NAME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

29. Share options

During the year ended 31 May 2021, the group granted 624,804 share options (31 May 2020 - 59,541). The 624,804 options have an exercise price of £0.035. 2,412 options were exercised with a share price of £0.035. 1,867,799 share options were in issue at the year end (31 May 2020 - 1,251,232).