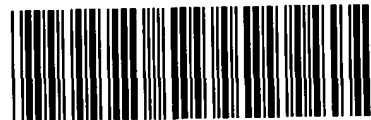

EUREECA LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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EUREECA LTD

COMPANY INFORMATION

Directors	C Thomas S Quawasmi (appointed 1 February 2022)
Company secretary	C Thomas
Registered number	08828833
Registered office	3rd Floor Waverley House 7-12 Noel street London W1F 8GQ
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants and Statutory Auditors 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

EUREECA LTD

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EUREECA LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their Strategic report for the year ended 31 December 2021.

The Company's principal activity continues to be the operation of a crowdfunding platform.

Business review

The Company is an Equity Crowdfunding platform providing the tools and systems for entrepreneurs to run a compliant, structured and efficient funding strategy. Entrepreneurs use the Eureeca tools to access both the entrepreneurs' own network and also that of Eureeca.

Clients of the Company are both the entrepreneur raising funds and also the investor participating in the funding round. Care and attention is provided to the investor client to ensure they also have the tools and information access needed to assess the business assumptions of the company raising funds, engage directly with the entrepreneur or other members of the Eureeca platform and then transact through the "escrow" services of Eureeca, who manage the money and legal structuring flows on behalf of the investor.

The Company is part of a wider global group operating in various parts of the globe. The Company has met its business objectives and proof points during the reporting year and continues to build a strong infrastructure to support the core business transaction.

Principal risks and uncertainties

As the business ultimately offers a two-sided market enabling a transaction between the issuer (SME Founder/Entrepreneur) and the investor, the prime drivers of business growth are maintaining a balanced and growing supply (viable entrepreneurs raising funding) and demand (via potential investors seeking such opportunity).

Risks and uncertainties therefore are driven by market sentiment. The stronger the economy is doing; the more likely investor clients have the disposable capital and also risk tolerance to invest in growth companies via the Eureeca platform. The weaker the economy, the more reliance the SME Issuers have on external funding and therefore the greater the demand for the services of Eureeca. Therefore, as a business we balance out those factors to ensure there is available stream of investable businesses on the platform.

The key external factors impacting the principal risks and uncertainties for the Company during 2021 was the continuation of the COVID pandemic and global governmental reactions to it ("COVID"). The two key risks associated with COVID was the potential impact on the operations of the company (for example the restrictions on free movement of team members), and the potential impact on business volumes.

Assessment of, and reaction to, the business operational impact of the COVID restrictions had been taken in 2020, and as such the Company was well positioned to ensure operational stability in 2021. The nature of the business, as an "online platform" is that the majority of interactions between stakeholders in the business are taken online, and as such there was minimal disruption to operational activity during 2020 when the pandemic first took hold, and even less during 2021.

As regards to the other principal risk and uncertainty, i.e. that of the potential impact on business volumes, as can be seen from the significant increase in revenues derived from business volumes during 2021, the impact of COVID can be considered a positive one from a business revenue standpoint. As with 2020, there was a significant increase in the applications from SMES requiring funding support, enabling there to be a significant increase in the quality and quantity of funding campaigns being considered for inclusion on the Eureeca platform.

EUREECA LTD

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

Financial key performance indicators

As the brand equity of the company has grown, the company has as expected moved into profitability during 2021/22. The Company expects to grow for 2022 revenue year on year by 60% whilst maintaining a broadly static cost base.

Revenue is a KPI for the Company but at the Company is still in the growth phase other KPIs also are crucial as it works to establish itself in the industry. The Company currently focuses on achieving a high % "success rate" of deals funded and therefore lists a relatively small amount of deals that meet a high probability of success. This does mean though that booking of revenue can be irregular as it is dependent on those larger deals, which take longer to close and meet their funding target. As we grow the pipeline to ensure a regular frequent stream of deal flow, revenues will no longer be irregularly spread across the calendar year, as there will be more smaller deals listed alongside the larger deals which are quicker to fund and therefore would smooth out any revenue accumulation.

Other key performance indicators

Looking forward, the company looks to increase the current viral coefficient on investor activity, increasing the amount of times each investor invests via the platform. This is a result of better services and more focus on diversification and portfolio building.

Generally, the company looks to increase the average size of the funding round per Issuer and reduce the time taken to onboard a deal and also then fund per deal.

Directors' statement of compliance with duty to promote the success of the Company

The Directors accept the duty to promote the success of the Company.

This report was approved by the board on 27 April 2022 and signed on its behalf.



C Thomas
Director

EUREECA LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company during the year was the operation of a crowdfunding platform.

Director

The director who served during the year was:

C Thomas

COVID-19

There have been significant global developments related to the Coronavirus (COVID 19) pandemic during 2021. As a result of this pandemic, which is driving economic uncertainty worldwide, the Company may experience volatility that could impact the financial results and/or impede generic operations. The Company and the Directors continue to monitor this unprecedented situation and evaluate the impact of the pandemic. At the point of signing the financial statements there had been no impact from COVID-19 on the financial results or operations.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the 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 Director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EUREECA LTD

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

Results and dividends

The profit for the year, after taxation, amounted to £33,308 (2020 - £-29,773).

The Directors has not proposed any dividends during the year (2020 - £Nil).

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 he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a Directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 27 April 2022 and signed on its behalf.



C Thomas
Director

EUREECA LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREECA LTD

Opinion

We have audited the financial statements of EUREECA LTD (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the 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 Company's affairs as at 31 December 2021 and of its 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 Company 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

EUREECA LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREECA LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREECA 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We considered our general commercial and sector experience and held a discussion with the Directors and other management personnel to identify laws and regulations that could reasonably be expected to have a material effect on the financial statements.
- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework (UK Generally Accepted Accounting Practice) and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- The Company is subject to a number of other laws and regulations where consequences of non-compliance could have a material effect on the financial statements, for example imposition of fines/litigation, or the loss of the Company's licence to trade. We identified the following areas as those most likely to have such an effect: specific aspects of regulatory capital and liquidity, and compliance with the FCA rules. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to General Data Protection Regulation (GDPR), fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and by discussing with management to understand where they considered there was susceptibility to fraud. As part of these discussions, we also gained an understanding of the controls that are in place which are designed to prevent and detect irregularities arising from fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and posting of inappropriate journal entries in order to improve reported performance. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we communicated the identified laws and regulations to the audit team and remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed by the engagement team included:
 - o Review of Board minutes;
 - o Reviewed correspondence received from regulatory bodies;
 - o Reviewed large and unusual bank transactions;

EUREECA LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUREECA LTD (CONTINUED)

o Identifying and testing journal entries, in particular, any journal entries posted by unexpected users, journals posted at unexpected times (for example, weekend), journals reflecting unusual account combinations, journals indicating large or unusual transactions based on our understanding of the business or journals with descriptions containing key unexpected words.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws.

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 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.

Gerard Collins

Gerard Collins (Senior statutory auditor)

for and on behalf of

Ecovis Wingrave Yeats LLP

Chartered Accountants and Statutory Auditors

3rd Floor Waverley House

7-12 Noel Street

London

W1F 8GQ

Date: 27 April 2022

EUREECA LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	147,118	71,238
Gross profit		147,118	71,238
Administrative expenses		(115,790)	(98,681)
Operating profit/(loss)	5	31,328	(27,443)
Tax on profit/(loss)	8	-	7,013
Profit/(loss) for the financial year		31,328	(20,430)
Other comprehensive income for the year			
Movement on foreign exchange reserve		1,980	(9,343)
Other comprehensive income for the year		1,980	(9,343)
Total comprehensive income for the year		33,308	(29,773)

The notes on pages 13 to 20 form part of these financial statements.

EUREECA LTD
REGISTERED NUMBER: 08828833

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	9	152,019	150,780
Cash at bank and in hand	10	1,041,547	924,560
		<u>1,193,566</u>	<u>1,075,340</u>
Creditors: amounts falling due within one year	11	(1,005,011)	(920,093)
Net current assets		<u>188,555</u>	<u>155,247</u>
Total assets less current liabilities		<u>188,555</u>	<u>155,247</u>
Net assets		<u>188,555</u>	<u>155,247</u>
Capital and reserves			
Called up share capital	13	200,000	200,000
Foreign exchange reserve		1,493	(487)
Profit and loss account		(12,938)	(44,266)
		<u>188,555</u>	<u>155,247</u>

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

27 April 2022



C Thomas
Director

The notes on pages 13 to 20 form part of these financial statements.

EUREECA LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	200,000	8,856	(23,836)	185,020
Comprehensive income for the year				
Loss for the year	-	-	(20,430)	(20,430)
Movement on foreign exchange reserve	-	(9,343)	-	(9,343)
Total comprehensive income for the year	-	(9,343)	(20,430)	(29,773)
At 1 January 2021	200,000	(487)	(44,266)	155,247
Comprehensive income for the year				
Profit for the year	-	-	31,328	31,328
Movement on foreign exchange reserve	-	1,980	-	1,980
Total comprehensive income for the year	-	1,980	31,328	33,308
At 31 December 2021	200,000	1,493	(12,938)	188,555

The notes on pages 13 to 20 form part of these financial statements.

EUREECA LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	31,328	(20,430)
Adjustments for:		
Depreciation of tangible assets	1,980	(9,343)
Taxation charge	-	(7,013)
(Increase) in debtors	(29,878)	(5,833)
Decrease in amounts owed by groups	28,639	58,862
Increase in creditors	84,918	744,071
Corporation tax received	-	7,013
Net cash generated from operating activities	<u>116,987</u>	<u>767,327</u>
Net increase in cash and cash equivalents	<u>116,987</u>	<u>767,327</u>
Cash and cash equivalents at beginning of year	924,560	157,233
Cash and cash equivalents at the end of year	<u><u>1,041,547</u></u>	<u><u>924,560</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,041,547	924,560
	<u><u>1,041,547</u></u>	<u><u>924,560</u></u>

The notes on pages 13 to 20 form part of these financial statements.

EUREECA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Eureeca Ltd is a private company, limited by shares, domiciled in England and Wales, registration number 08828833. The registered address is 3rd Floor Waverley House, 7-12 Noel Street, London, W1F 8GQ.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors has obtained confirmation that the parent company is willing to continue supporting the Company for a period of at least 12 months from the date of approval of these financial statements. On this basis, the Directors continues to adopt the going concern assumption in preparing the financial statements.

As a result of the COVID 19 pandemic, which is driving economic uncertainty worldwide, the Company may experience volatility that could impact the financial results and/or impede generic operations. The Company and the Directors continue to monitor this unprecedented situation and evaluate the impact of the pandemic. At the point of signing the financial statements there had been no impact from COVID-19 on the financial results or operations.

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

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company 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.

Listing fee income is recognised at the point in which the terms of business are agreed with the customer.

Success fee income is recognised at the point in which the customer's funding project is closed on the Eureeca website.

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

2. Accounting policies (continued)

2.4 Financial instruments

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.5 Foreign currency translation

Transactions and balances

The Company's operations are maintained in US\$ and converted into GBP at both average and year end rates, which have been concluded as materially correct.

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 the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

EUREECA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Management have not applied any material judgements in the preparation of these financial statements.

4. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

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

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	15,300	12,807
Exchange differences	763	(6,957)
	<u> </u>	<u> </u>

EUREECA LTD

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

6. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,300	12,807
Fees payable to the Company's auditor and its associates in respect of:		
All other services	6,240	6,957
	6,240	6,957

7. Employees

The average monthly number of employees, including the directors, during the year was 1 (2020 - 1).

The directors received no remuneration during the year.

8. Taxation

	2021	2020
	£	£
Corporation tax		
Adjustments in respect of previous periods	-	(7,013)
	-	(7,013)
Total current tax	-	(7,013)

EUREECA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	31,328	(27,443)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	5,952	(5,214)
Effects of:		
Deferred tax not recognised	(5,952)	5,214
Adjustments to tax charge in respect of prior periods	-	(7,013)
Total tax charge for the year	-	(7,013)

The Company has tax losses amounting to £15,543 (2020 - £45,720) available to carry forward and offset against future profits.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EUREECA LTD

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

9. Debtors

	2021	2020
	£	£
Trade debtors	33,017	5,904
Amounts owed by group undertakings	113,782	142,421
Other debtors	-	71
Prepayments and accrued income	5,220	2,384
	152,019	150,780

10. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	1,041,547	924,560
	1,041,547	924,560

Client monies of £867,817 (2020 - £816,669) are held within other creditors, with the corresponding amount forming part of the cash at bank balance.

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	8,067	2,160
Other creditors	867,817	816,669
Accruals and deferred income	129,127	101,264
	1,005,011	920,093

EUREECA LTD

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

12. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,193,566</u>	<u>1,075,340</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	<u>1,005,011</u>	<u>920,093</u>

13. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
200,000 (2020 - 200,000) Ordinary shares of £1.00 each	<u>200,000</u>	<u>200,000</u>

Each share carries one vote, and full rights to dividends and capital distributions.

14. Related party transactions

The Company has taken advantage of the exemption under FRS102, Section 33 Related Party Disclosures paragraph 33.1A, whereby the Company is not required to disclose transactions with other companies that are wholly owned within the group.

15. Foreign exchange reserve

As per accounting policy 2.5, the foreign exchange reserve represents movements as a result of the yearly translation of the equity balances.

16. Controlling party

The ultimate parent and controlling party is Eureeca Capital SPC, by virtue of its 100% shareholding.

The results of the Company are consolidated into the parent and are available from Floor 2 Willow House, Cricket Square, Grand Cayman, KY1 1107, Cayman Islands, PO Box 709.