Bidstack Limited

Annual Report and Accounts

Registered number 09835625

For the year ended 31 December 2020

COMPANY INFORMATION

DIRECTORS	J Draper F Petruzzelli J McIntosh
REGISTERED NUMBER	09835625
REGISTERED OFFICE	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
INDEPENDENT AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Kepstorn Solicitors 7 St James Terrace Kilmacolm Lochwinnoch Road PA13 4HB

Contents

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company is the provision of native in-game advertising.

Strategic report
For the year ended 31 December 2020 the Company was exempt from preparing a strategic report under section 414B of the Companies Act 2006 relating to small companies.

A full copy of the Annual Report and Accounts including strategic report, of the ultimate parent company (Bidstack Group Plc) can be found at www.bidstackgroup.com/financial-reports.

Results and dividends

The results of the Company for the year ended 31 December 2020 are set out on page 6 and show a loss for the year of £4,837,452 (2019: loss of £3,895,946). The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors who held office during the year were as follows:

J Draper	Executive
F Petruzzelli	Executive
J McIntosh	Executive

Going concern

The Board continues to adopt the going concern basis to the preparation of the financial statements. The Company is reliant on further support from its parent company in order to continue trading for at least twelve months from the date of approval of the financial statements. The parent company has pledged its support, which is contingent upon successful fundraising activities by the parent company in the future.

The Company's parent company is dependent on further equity fundraising in order to operate as a going concern for at least twelve months from the date of approval of the financial statements. Although the parent Group has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the Company with the required capital, there can be no guarantee that such fundraising will be available. Accordingly, this constitutes a material uncertainty over going concern.

In the current business climate, the Directors acknowledge the COVID-19 pandemic and have implemented logistical and organisational changes to underpin the Company's resilience to COVID19 business risk.

In respect of these funding uncertainties noted above and the impact of the pandemic on Going Concern the approaches being taken by its Directors enable the Company to manage and mitigate the additional operational and financial risks which the current environment presents.

Directors' report (continued)

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

The directors are not aware of any relevant audit information of which the auditors are unaware.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare annual report and accounts for each financial year. Under that law the directors have prepared the annual report and accounts in accordance with United Kingdom accounting standards, including Financial Reporting Standard 101 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 101'). Under company law the directors must not approve the annual report and accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the statement of comprehensive income of the company for that period. In preparing these annual report and accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

By order of the Board

John McIntosh
Director
19th May 2021

Independent auditor's report to the members of Bidstack Limited

Opinion

We have audited the financial statements of Bidstack Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity, 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 101 *Reduced Disclosure Framework* (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 2020 and of its loss 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 Auditor's 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 UK, including the FRC'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.

Material Uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the company generated an operating loss for the year of £5.4 million (2019: £4.0 million). The Company is reliant on further support from its parent company in order to continue trading for at least twelve months from the date of approval of the financial statements. The parent company has pledged its support, which is contingent upon successful fundraising activities by the parent company in the future. The parent company is dependent on further equity fundraising in order to operate as a going concern for at least twelve months from the date of approval of the financial statements. Although the parent Group has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the Company with the required capital, there can be no guarantee that such fundraising will be available. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, corporation tax, payroll tax and sales tax.

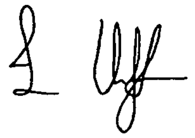
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries and also management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journals, in particular unusual journal entries posted by management; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 auditor's 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 Auditor's 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.



Ian Cliffe (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
19th May 2021

10 Queen Street Place
London
EC4R 1AG

Statement of comprehensive income
for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue		1,680,327	122,914
Cost of sales		(1,427,357)	(93,414)
Gross profit/(loss)		252,970	29,500
Administrative expenses		(5,636,964)	(4,073,639)
Operating (loss)		(5,383,994)	(4,044,139)
Finance costs		-	-
(Loss) before taxation		(5,383,994)	(4,044,139)
Taxation	7	546,542	148,193
(Loss) for the year		(4,837,452)	(3,895,946)
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive (loss) for the year		(4,837,452)	(3,895,946)

The results reflected above relate to continuing activities.

The notes on pages 9 to 20 form part of these financial statements.

Statement of financial position
as at 31 December 2020

	Note	31 December 2020	31 December 2019
ASSETS		**£**	**£**
Non-current assets			
Investments	13	2,614	-
Intangible assets	8	25,107	34,399
Property, plant and equipment	9	28,388	21,695
Total non-current assets		56,109	56,094
Current assets			
Trade and other receivables	10	2,347,985	413,567
Cash and cash equivalents	11	49,942	97,213
Total current assets		2,397,927	510,780
Total assets		2,454,036	566,874
EQUITY AND LIABILITIES			
Equity			
Share capital	14	169	169
Share premium account	14	1,515,629	1,515,629
Share-based payment reserve	14	17,435	17,435
Capital redemption reserve	14	23	23
Retained losses	14	(10,539,105)	(5,701,653)
Total equity		(9,005,849)	(4,168,397)
Current liabilities			
Trade and other payables	12	11,459,885	4,735,271
Total current liabilities		11,459,885	4,735,271
Total equity and liabilities		2,454,036	566,874

These annual report and accounts were approved by the directors on 19th May 2021 and are signed on their behalf by:

John McIntosh
Director

The notes on pages 9 to 20 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2020

	Share capital £	Share premium £	Share-based payment reserve £	Capital redemption reserve £	Retained losses £	Total equity £
Balance as at 1 January 2019	169	1,515,629	17,435	23	(1,805,707)	(272,451)
Loss and total comprehensive income for the year	-	-	-	-	(3,895,946)	(3,895,946)
Balance as at 31 December 2019	169	1,515,629	17,435	23	(5,701,653)	(4,168,397)
Loss and total comprehensive loss for the year	-	-	-	-	(4,837,452)	(4,837,452)
Balance as at 31 December 2020	**169**	**1,515,629**	**17,435**	**23**	**(10,539,105)**	**(9,005,849)**

The notes on pages 9 to 20 form part of these financial statements.

Notes to the financial statements

1 General information

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT.

The registered number of the company is 09835625.

The principal activity of the company is the provision of native in-game advertising. On 5 October 2020, the company expanded its activities by incorporating a company, Bidstack SIA, in Latvia. The entire share capital was allotted and issued to Bidstack Limited.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard FRS 101 Reduced disclosure framework. The principal accounting policies adopted in the preparation of financial statements are set out below.

The financial statements have been prepared on a historical cost basis. The presentation currency used is Sterling (£).

The principal accounting policies outlined below have been applied:

Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows
- the requirement of IFRS 2 Share Based Payments
- the requirement of IAS 8 requiring the listing of new and revised standards that have not been adopted
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: share capital, PP&E, intangible assets, investment property and biological assets.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. Exemption from disclosure of compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Going concern

The Board continues to adopt the going concern basis in the preparation of the financial statements as it is confident of the Company continuing operations into the foreseeable future. The Board's forecasts for the Company include due consideration of future capital in-flows, continued operating losses, projected increase in revenues and cash-burn of the Company (and taking account of reasonably possible changes in trading performance and also changes outside of expected trading performance) for a minimum period of at least twelve months from the date of approval of these financial statements.

The financial statements for the year to 31 December 2020 show that the Company generated an operating loss of £5.4 million (2019: Loss £4.0 million). The Company is reliant on further support from its parent company in order to continue trading for at least the twelve months from the date of approval of the financial statements. The parent company has pledged its support, which is contingent on successful fundraising activities by the parent company in the future.

The Company's parent company is dependent on further equity fundraising in order to operate as a going concern for at least twelve months from the date of approval of the financial statements. Although the parent Group has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the Company with the required advances, there can be no guarantee that such fundraising will be available. Accordingly, this constitutes a material uncertainty over going concern.

The Company has also assessed the principal risks and uncertainties in respect of the impact of the Coronavirus pandemic on Going Concern and have taken actions to mitigate those risks. Therefore, the Directors consider the going concern basis appropriate. This assessment has been arrived at after the Board has considered various alternative operating strategies should these be necessary in the light of actual trading performance not matching the Group's forecasts given the current economic conditions, and is satisfied that such revised operating strategies could be adopted, if and when necessary.

Investments

Investment in subsidiary undertakings are accounted for at cost less impairment. Advances to subsidiaries are initially recorded at fair value based on a market rate of interest and subsequently at amortised cost.

Revenue recognition

Revenue represents amounts receivable for goods and services provided in the normal course of business, and excludes intragroup sales, Value Added Tax and trade discounts. Revenue comprises:

- Sale of advertising space: the value of goods and services is recognised across the period of use.
- Sale of reseller rights: the value of goods and services is recognised upon agreement.
- Sale of development programmes and content creation: the value of goods and services supplied is recognised on delivery of content and acceptance by the customer.
- Sponsorship income: the value of goods and services is recognised over the time period to which it relates.

Net finance costs

Finance costs comprise interest on bank loans and other interest payable. Interest on bank loans and other interest is charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Finance income comprises interest receivable on loans to related parties. Interest income is recognised in the Statement of Comprehensive Income as it accrues using the effective interest method.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of taxable profit for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on initial recognition of a business combination, the tax expense/(income) is presented either in the income statement, other comprehensive income or equity depending on the transaction that resulted in the tax expense/(income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to corporation tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.
- Research and Development Tax Credits are recognised as receivables when an inflow of economic benefit is certain, until then a contingent asset in respect of probable Corporation Tax is disclosed.

Intangible assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Company and that its cost can be measured reliably, the asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Amortisation is charged on a straight-line basis through the profit or loss. The rates applicable, which represent the directors' best estimate of the useful economic life, are:

- Website costs – 20% straight line
- Trademarks – straight line over the life of the trademark

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. Depreciation is provided on all items of property, plant and equipment, so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

- Computer equipment – 33.33% straight line
- Office equipment – 20% straight line

Notes to the financial statements (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

The Company classifies all of its financial assets as loans and other receivables. Financial assets do not comprise of prepayments. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost, using the effective interest method.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new share or options are shown in equity as deduction net of tax, before proceeds.

Share-based payments

Where share options are award to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Notes to the financial statements (continued)

3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. In the future, actual experience may differ from these estimates and assumptions.

4 Segmental information

During the years ended 31 December 2020 and 31 December 2019, the Company operated one business segment, that of the provision of native in-game advertising.

Given that there is only one continuing class of business, this information is used by the chief operating decision makers, operating within the UK, therefore no further segmental information has been provided.

5 Loss for the year

	31 December 2020 £	31 December 2019 £
The loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	12,341	8,329
Amortisation of intangible assets	9,862	9,813
Premises rental costs	326,386	195,492
Auditors' remuneration	14,000	12,000

6 Employees and directors

Staff costs, including directors, comprise:

	31 December 2020 £	31 December 2019 £
Wages and salaries	2,137,822	1,309,648
Redundancy costs	67,500	19,506
Social security costs	258,751	157,486
Other benefits	44,088	23,923
	2,508,161	1,510,563

Notes to the financial statements (continued)

6 Employees and directors (continued)

Directors' remuneration is as follows:

	31 December 2020 £	31 December 2019 £
Wages and salaries	420,000	365,000
Social security costs	54,339	43,858
Post-retirement benefits	3,284	1,554
Other benefits	-	-
	477,623	410,412

	2020	2019
Average number of employees in the year, including directors	29	22

7 Taxation

Reconciliation of effective tax rate

Tax assessed for the year is lower than (2019: lower than) the standard rate corporation tax of 19% (2019: 19%). The differences are explained below:

	31 December 2020 £	31 December 2019 £
Loss before tax	(5,383,994)	(4,044,139)
Tax using the UK corporation tax rate of 19% (2019: 19%)	(1,022,959)	(768,386)
Unrelieved tax losses and other deductions in the period	-	-
Research and development tax credit	-	(30,566)
Expenses not deductible for tax purposes other than goodwill amortisation and impairment	1,782	7,355
Adjustment for prior period	(546,542)	(77,106)
Remeasurement of deferred tax for changes in tax rates	(77,236)	-
Deferred tax not recognised	1,098,413	720,510
Total tax charge / (credit)	(546,542)	(148,193)

The Company has tax losses of approximately £9,854,729 (2019: £5,017,277) to carry forward against future taxable profits.

No deferred tax asset has been recognised in relation to the trading losses available for offset against future taxable profits. The Company has not recognised deferred tax asset due to there being insufficient evidence of short-term recoverability.

Research and Development Tax Credits are recognised as receivables when an inflow of economic benefit is certain, until then a contingent asset in respect of probable Corporation Tax is disclosed. It has been announced that the main rate of corporation tax will be increased from 19% to 25% for companies with profits over £250,000.

Notes to the financial statements (continued)

8 Intangible assets

	Website costs £	Trademarks £	Total £
Cost			
At 1 January 2019	48,618	520	49,138
Additions	-	370	370
At 31 December 2019	48,618	890	49,508
Amortisation			
At 1 January 2019	5,192	104	5,296
Charge	9,723	90	9,813
At 31 December 2019	14,915	194	15,109
Cost			
At 1 January 2020	48,618	890	49,508
Additions	-	570	570
At 31 December 2020	48,618	1,460	50,078
Amortisation			
At 1 January 2020	14,915	194	15,109
Charge	9,659	203	9,862
At 31 December 2020	24,574	397	24,971
Net book value			
At 31 December 2020	**24,044**	**1,063**	**25,107**
At 31 December 2019	33,703	696	34,399

Notes to the financial statements (continued)

9 Property, plant and equipment

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2019	4,819	17,609	22,428
Additions	2,904	11,368	14,272
At 31 December 2019	7,723	28,977	36,700
Depreciation			
At 1 January 2019	161	6,515	7,731
Charge	1,055	7,274	8,329
At 31 December 2019	1,216	13,789	15,005
Cost			
At 1 January 2020	7,723	28,977	36,700
Additions	2,480	16,554	19,034
At 31 December 2020	10,203	45,531	55,734
Depreciation			
At 1 January 2020	1,216	13,789	15,005
Charge	2,303	10,038	12,341
At 31 December 2020	3,519	23,827	27,346
Net book value			
At 31 December 2020	**6,684**	**21,704**	**28,388**
At 31 December 2019	6,507	15,188	21,695

10 Trade and other receivables

	31 December 2020 £	31 December 2019 £
Trade receivables	1,200,922	122,941
Prepayments and accrued income	337,142	31,688
Other receivables	263,379	110,745
Corporation tax	546,542	148,193
	2,347,985	413,567

As at the date of approving the financial statements, £1,011,967,343 in relation to the year end trade debtors balance had been received by the company.

Notes to the financial statements (continued)

11 Cash and cash equivalents

	31 December 2020 £	31 December 2019 £
Cash and cash equivalents	49,942	97,213

12 Trade and other payables

	31 December 2020 £	31 December 2019 £
Trade payables	255,228	155,266
Taxation and social security	164,438	66,926
Other payables	17,941	7,478
Accruals and deferred income	992,048	100,511
Amounts due to Group undertakings	10,030,230	4,405,090
	11,459,885	4,735,271

The amounts due to Group undertakings are interest free loans and repayable upon demand.

13 Investments

	31 December 2020 £	31 December 2019 £
Cost		
At 1 January	-	-
Additions	2,614	-
At 31 December	2,614	-

Subsidiary undertakings

The subsidiaries of the company at the year-end are as follows:

Name	Registered office	Proportion of voting rights and ordinary share capital held	Nature of business
Bidstack SIA	Ieriky Iela 35-14, Riga, LV-1084	100%	Technology development

On 5 October 2020, the Company incorporated Bidstack SIA, in Latvia. On the date of incorporation, the entire issue of 2,800 shares was allotted and issued to Bidstack Limited for £2,614 (€2,800)

Notes to the financial statements (continued)

14 Share capital and reserves

Allotted, called up and fully paid

	No. of Shares	Share capital £	Share premium £
At 1 January 2020	16,914,580	169	1,515,629
As at 31 December 2020	**16,914,580**	**169**	**1,515,629**

All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent equal votes at meetings of shareholders.

The following describes the nature and purpose of each reserve within owner's equity:

Share capital: Amount subscribed for shares at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value, less costs of share issue.

Share-based payment reserve: The share-based payment reserve comprises the cumulative expense representing the extent to which the vesting period of share options has passed and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest.

Capital redemption reserve: The nominal value of shares that have been repurchased by the Company.

Retained losses: Cumulative realised profits less cumulative realised losses and distributions made, attributable to the equity shareholders of the Company.

Notes to the financial statements (continued)

15 Financial Instruments

Credit risk and impairment

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. In order to minimise the risk, the endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its, trade and other receivables and cash and cash equivalents as disclosed in the notes.

The Company does not consider that there is any concentration of risk within either trade or other receivables. The Company seeks to obtain charging orders over the property of trade receivables, where appropriate. The receivables' age analysis is also evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information.

Liquidity risk

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. However, the Company continues to absorb cash in its operations for the time being and management recognises the risk of insufficient cash and capital to carry on its activities and safeguard the Company's ability to continue as a going concern.

The Directors receives cash flow projections on a regular basis, which are monitored regularly. The Board will not commit to material expenditure in respect of its ongoing development programme prior to being satisfied that sufficient funding is available to the Company to finance the planned programmes. Regular reviews will ensure that further steps will be taken to cut additional overheads if necessary.

Notes to the financial statements (continued)

16 Premises cost commitments

	31 December 2020	31 December 2019
	£	£
Within one year	**352,800**	87,540
	352,800	87,540

17 Transactions with other related parties

John McIntosh, Finance Director invoiced £1,902 (2019: £10,076) to the Company for reimbursement of expenses for the year. As at 31 December 2020, £Nil (2019: £2,278) was owing to Mr McIntosh.

Francesco Petruzzelli, Director, invoiced £14,457 (2019: £120,788) to the Company for reimbursement of expenses for the year. As at 31 December 2020, £656 (2019: £20,537 due to) was due from Mr Petruzzelli.

James Draper, Director and Chief Executive Officer, invoiced £1,610 to the Company for reimbursement of expenses for the year (2019: £1,837). As at 31 December 2020, £Nil (2019: £Nil) was owing to Mr Draper.

18 Ultimate Controlling Party

The Company is wholly owned by Bidstack Group Plc a company incorporated in England and Wales. Bidstack Group Plc is the ultimate parent entity and is listed on the Alternative Investment Market (AIM) of the London stock exchange.

19 Capital commitments

The Company had no capital commitments at the end of the year (2019: £nil).