

Company registration number 11153882 (England and Wales)

**PROJECT IMAGINE LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

# PROJECT IMAGINE LTD

## COMPANY INFORMATION

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<b>Directors</b>	A Chakravarty S Hsu C Tung S Dunford Baker	(Appointed 6 October 2021)
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<b>Company number</b>	11153882
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<b>Registered office</b>	Finsgate 5-7 Cranwood Street London EC1V 9EE
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<b>Auditor</b>	Jeffreys Henry LLP Finsgate 5 - 7 Cranwood Street London EC1V 9EE
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# PROJECT IMAGINE LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present the strategic report for the year from 1 October 2021 to 30 September 2022.

In this report Project Imagine Limited is referred to as Project Imagine, or PI or the Company. Dozens Savings Plc is referred to as Dozens Savings Plc only. For clarity, the Dozens application is a product and brand of Project Imagine and is separate to Dozens Savings Plc.

#### Section 172(1) Statement

##### Promoting the success of the company

Project Imagine's success depends on acting in the combined best interests of its various stakeholders including customers, partners, employees and shareholders. When making business decisions, the Board is mindful of its responsibilities under s172(1) of the Companies Act 2006 to make decisions with regard to these stakeholders and the wider environment and community in which the Company operates. All of these groups are important to the success of the Company and considerations for them are discussed below.

##### *Our customers*

The Dozens application was built from the ground-up with the Company's 'Community' – a highly engaged, representative customer group – consulted from the outset, demonstrating the Company's commitment to building a product in the best interests of its customers. In that same spirit, this year the Company took the difficult decision to undertake a solvent wind-down of the Dozens app, closing all customer accounts in an orderly fashion.

While Dozens enjoyed significant success as the UK's first E-money and MiFID licensed digital finance offering, attracting nearly 60,000 customers with industry leading average balances, the macroeconomic and industry environments in 2022 are significantly different to the ones Dozens launched into in 2019. Notably:

- Supply chain constraints driving price increases have reduced the amount of money being placed in illiquid investments like venture capital; and
- Investor scepticism over consumer fintech, including highly publicised down rounds, is further reducing rates of venture funding in consumer fintech in particular.

Ultimately, management decided that while feasible, entering an unprecedented economic cycle against this funding backdrop could impair its ability to facilitate an orderly wind-down of the Dozens app if necessary. Hence management decided to do this proactively, guaranteeing Dozens customers at least two months of full service to make alternative arrangements and withdraw their money in a smooth fashion.

The Company was successful in this endeavour, substantially completing the app wind-down and its pivot to a B2B model by the end of the reporting period, while retaining the full value of its Dozens license, partner and technology stack in the process.

##### *Partners and suppliers*

The Dozens application was supported by various partner services supplied by some of the most innovative technology companies in the UK and the world. In winding-down the application, management maintained comprehensive communications and transparency with these partners, a number of which continue to work with the Company as part of the remaining Dozens partner-technology stack and Pi1 B2B offering.

##### *Our investors*

Project Imagine's investors have demonstrated significant commitment to the Company since its founding and management continue to be grateful for their trust, confidence and guidance in building a successful business – including the decision to wind-down the Dozens app.

This decision was supported by the Company's founding investor and majority shareholder on the basis that by deciding to fully pursue a B2B business by licensing its core-banking software, Project Imagine could build a more sustainable business in the short-term – particularly important in the prevailing macro-economic environment. Indeed, since completing its pivot, the Company's monthly burn rate has reduced by over 60% while prospects for material, near-term revenue and break-even have increased.

# PROJECT IMAGINE LTD

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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*As the Company continues to pursue this B2B strategy, management look forward to further drawing on the experience of the Board and its investors to drive business success.*

#### *Our employees*

Project Imagine's team has been an essential factor of the Company's success from the outset. As such, it was particularly difficult to see a number of those team members depart at the conclusion of the wind-down of the Dozens app. Where possible, team members were reassigned to roles within the B2B organisational structure and where this was not possible, all team members were given double their contractual notice entitlement in order to extend their paid period for finding alternative employment. The vast majority of such employees had arranged alternative employment by the time their Project Imagine contracts terminated which is testament to their skills and experience. For remaining employees, they continue to enjoy the Company's numerous People and Culture initiatives including: transparent salaries to support pay equality; continuous salary review to ensure employees are remunerated in line with their contribution; minimum holidays to ensure employees are not overworked; and comprehensive benefits including medical insurance.

#### *Impact of operations on the community and the environment*

At the heart of Project Imagine's mission is financial wellbeing and sustainability, which it extends to the society and environment in which it operates. Through specific outreach campaigns, the Company has made dedicated efforts to understand and engage with financially disenfranchised communities where the need for financial assistance is particularly severe. This important work supports Project Imagine in building B2C and B2B products which can promote financial wellbeing widely.

Furthermore, the business is committed to having a positive net impact on the environment which was recognised this year with formal B-Corp accreditation. Beyond this, by empowering consumers to manage more of the financial life from their mobiles, the Company is at the centre of a systematic shift to reducing the impact people have on the physical work around them.

#### *Maintaining a reputation for high standards of business conduct*

The Company's highest obligation is to its customers whose interests are represented by regulatory institutions such as the Financial Conduct Authority (FCA) and other industry bodies. The Company works closely with these institutions to support the promotion of a health industry and is in regular contact on matters including company conduct, compliance and sustainable business practices.

In the fallout of the Russian invasion of Ukraine, management responded with the highest urgency to all FCA information requests to assist them in effecting anti-money laundering and sanctions controls. In addition, the Company has been pro-active in enhancing the integrity of the financial services industry by prioritising fraud reduction as a strategic objective, while writing publicly about the importance of customer care when sharing its rationale for winding down the Dozens app.

During the process of winding down the Dozens app, the Company has maintained continuous communications with its counterparts at the FCA, including with regard to wind-down progress and the Company's future plans regarding Dozens and its licences.

#### *Acting fairly across stakeholders*

The Company is committed to acting fairly and transparently with different stakeholder groups and individuals. This principle permeates its culture – from regular investor updates to transparent salaries and visibility of company strategy.

#### *Likely consequences of any decision in the long term*

When making decisions, senior management and the Board consider all of the interests articulated above. In addition to the immediate impact, these decisions consider the potential long-term impact on different stakeholders by consulting each individual group's perspective. Senior management are then held accountable for these decisions by the Board which is provided with regular updates to assess implementation and outcome of those decisions.

# PROJECT IMAGINE LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **Fair review of the business**

Project Imagine was formed to help people manage their day-to-day spending while encouraging saving and responsible investing for a better financial future. In its first step on this mission, the Company launched the mobile application, Dozens, in January 2019.

Dozens was a comprehensive financial wellness app that combined a current account, budgeting, saving tools, investments and financial education. Dozens was immediately differentiated from its competition by its business model which makes money when Dozens' customers grow, not when they're in debt. This model was supported by the breadth of Dozens' product set, which in addition to spending and budgeting tools, included the opportunity to invest in ETFs and the Company's own 5% fixed interest bond, where capital is not at risk.

Following its launch in January 2019, Dozens was named the 8th best UK banking app within six months and had attracted nearly 20,000 customers by September 2019. Dozens' customer base has continued to grow and totalled nearly 60,000 users before its wind-down.

In 2020, the Company launched a second brand, Pi1, which licences the Company's cutting-edge core-banking technology to other financial services businesses, while providing additional revenue opportunities for the Company by capitalising on existing assets.

In 2021, the Company continued the platform build while offering Dozens customers best in class service leading to nominations at The British Bank Awards 2021, for Best Newcomer and Best Banking App, ending as a finalist in the Best Newcomer category.

In 2022, despite the success of Dozens, the Directors decided to wind-down the Dozens app to focus fully on its B2B offering, Pi1, and other options to monetising the value of investment in Dozens to date.

### **Principal risks and uncertainties**

*Business model* – the risk that the Company's business model is not sustainable due to poor execution of the Company's strategic plan and transition to a B2B model, or the inability to adapt to changing market conditions.

*Financial* – any risks that could impact the Company's financial profile, in particular cash flow risk arising from failure to maintain an adequate working capital position.

*Compliance* – for the remaining time that the Company maintains a regulated status, the risk of not meeting relevant legislations, rules and regulations which could cause customers harm, financial losses or reputational damage to the Company.

*Operational* – the risk that failures of people, processes or internal and third-party systems could lead to a service disruption or financial losses.

# PROJECT IMAGINE LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### Financial Review

Sustainable financial growth is key to delivering Project Imagine's mission in a responsible way. In FY22 the Company raised £5.1m to support growth while maintaining its regulatory obligations.

In FY22 the Group's operating loss decreased slightly to £5.2m from £5.6m in FY21. Major costs in the financial year were technology development (continuing to develop the Company's cutting-edge core-banking platform) and people costs. Other material costs included software and tools, and cost to service customer accounts, while cost of premises (rent) increased year-on-year as the Company transitioned to a hybrid working setup following the Covid-19 pandemic.

During the period, the Group generated revenues from invest platform and interchange fees however these revenue streams will not remain following the wind-down with revenue expected to be from software licensing and services arising from B2B sales. In respect of Research & Development, the Group generated an R&D tax credit of £606,601 (2021 - £906,184) reflecting significant investment in cutting-edge platform development in the year which will be monetised directly in the Company's B2B offering.

In FY22 the Company made investments totaling £115,000 in its Subsidiary, Dozens Savings plc. This investment was to fund the subsidiary's operations through to wind-up which was pre-planned as part of the Dozens app wind-down and effectively complete by the end of FY22. As such, the Company has impaired this investment to null value.

As at the end of the period, the Group had gross assets of £6,789,746 (2021 - £9,848,824), shareholder's funds of £6,508,094 (2021 - £6,179,428) and total cash balances of £249,126 (2021 - £2,686,535). This reduction in cash balances reflects the wind-up for the Dozens Savings plc bond programme for which principal and interests is therefore no longer held, and the reduced working capital requirements of the B2B business model (compared to the previous B2C requirements of the Dozens app).

### Key performance indicators

Owing to the wind-down of its B2C business and ramp-up of its B2B model, the Company does not have relevant, active KPIs to track at present. In the future, these will include annual recurring revenue growth, customer retention rate and gross margin.

The Company's business model is not reliant on any natural resources, nor does management anticipate climate change having a direct impact on the Company's operations.

The Company performs an important role in society by enabling innovation in financial technology which is critical for enhancing financial wellbeing more generally. As long as the Company continues to operate in an ethical and responsible fashion, it expects to continue fulfilling this important role while helping other businesses to improve consumers' lives through the use of that innovative financial technology.

### Future Outlook

Since the reporting date the Company has received additional capital and continued to progress its complete pivot to a B2B offering, for which there is demonstrated traction.

The Directors believe that the Company has a strong story to tell in relation to its mission, which is one that resonates with its target market and the industry in general.

On behalf of the board

.....  
S Dunford Baker  
**Director**  
.....

# PROJECT IMAGINE LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present their annual report and financial statements for the year ended 30 September 2022.

#### Principal activities

The principal activity of the company and group continued to be that of financial intermediation and development of a core-banking software platform.

#### Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Chakravarty

S Hsu

C Tung

S Dunford Baker

(Appointed 6 October 2021)

#### Auditor

Jeffreys Henry LLP were appointed as auditor to the Company and Group, and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

S Dunford Baker

**Director**

25 November 2022

## **PROJECT IMAGINE LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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The directors are responsible for preparing the Annual 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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# PROJECT IMAGINE LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT IMAGINE LTD

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### Opinion

We have audited the financial statements of Project Imagine Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK* (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 the parent company's affairs as at 30 September 2022 and of their 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 group and parent 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.

### Emphasis of matter

We draw your attention to Note 2 in the financial statements, which describes the key judgement and estimates in the capitalisation and impairment review on the intangibles carrying value by the management. Our opinion is not modified in this respect.

### Material uncertainty relating to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the Group is reliant on the support received from a shareholder as it is currently in the advanced stage of its app development and commercialisation. In the event that the parent company is unable to raise sufficient funds to support its working capital requirements, the Group will not be in a position to continue discharging its liabilities in the normal course of business. As stated in note 1.3, these events or conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

# PROJECT IMAGINE LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PROJECT IMAGINE LTD

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 group and parent 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 where 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, 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 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 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.

#### **Extent to which the audit was capable of detecting irregularities**

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.

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

## PROJECT IMAGINE LTD

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PROJECT IMAGINE LTD

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Our approach was as follows:

- We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which it operates
- We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, financial reporting legislation, the Companies Act 2006, and tax legislation.
- We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- Our tests included agreeing the financial statements disclosures to underlying supporting documentation, review of board minutes and enquiries with management.
- 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 management bias in accounting estimates.
- We addressed the risks of management override of internal controls through testing journals.
- We evaluated whether there was evidence of bias by the Directors in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

Our audit procedures were designed to respond to risks of material misstatements 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

**Sanjay Parmar (Senior Statutory Auditor)**  
For and on behalf of Jeffreys Henry LLP

25 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Finsgate  
5 - 7 Cranwood Street  
London  
EC1V 9EE

## PROJECT IMAGINE LTD

### GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 SEPTEMBER 2022*

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	6,530	4,553
Administrative expenses		(5,253,619)	(5,664,961)
Other operating income	<b>3</b>	295	58,871
<b>Operating loss</b>	<b>4</b>	(5,246,794)	(5,601,537)
Interest receivable and similar income	<b>8</b>	131	-
Interest payable and similar expenses	<b>9</b>	(138,585)	(54,610)
<b>Loss before taxation</b>		(5,385,248)	(5,656,147)
Tax on loss	<b>10</b>	606,601	906,184
<b>Loss for the financial year</b>		(4,778,647)	(4,749,963)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# PROJECT IMAGINE LTD

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11	5,670,047		5,707,277	
Tangible assets	12	71,841		80,516	
			5,741,888		5,787,793
<b>Current assets</b>					
Debtors	15	798,732		1,374,496	
Cash at bank and in hand		249,126		2,686,535	
			1,047,858		4,061,031
<b>Creditors: amounts falling due within one year</b>	16	(281,652)		(3,669,396)	
<b>Net current assets</b>			766,206		391,635
<b>Net assets</b>			6,508,094		6,179,428
<b>Capital and reserves</b>					
Called up share capital	18	317		290	
Share premium account		26,629,745		21,060,054	
Other reserves		-		462,405	
Profit and loss reserves		(20,121,968)		(15,343,321)	
<b>Total equity</b>			6,508,094		6,179,428

The financial statements were approved by the board of directors and authorised for issue on 25 November 2022 and are signed on its behalf by:

S Dunford Baker  
Director

# PROJECT IMAGINE LTD

## COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11	5,670,047		5,707,277	
Tangible assets	12	71,841		80,516	
Investments	13	-		19,665	
		5,741,888		5,807,458	
<b>Current assets</b>					
Debtors	15	798,732		1,457,705	
Cash at bank and in hand		249,126		781,850	
		1,047,858		2,239,555	
<b>Creditors: amounts falling due within one year</b>	16	(281,652)		(1,867,585)	
<b>Net current assets</b>			766,206		371,970
<b>Net assets</b>			6,508,094		6,179,428
<b>Capital and reserves</b>					
Called up share capital	18	317		290	
Share premium account		26,629,745		21,060,054	
Other reserves		-		462,405	
Profit and loss reserves		(20,121,968)		(15,343,321)	
<b>Total equity</b>			6,508,094		6,179,428

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £4,778,648 (2021 - £4,749,963 loss).

The financial statements were approved by the board of directors and authorised for issue on 25 November 2022 and are signed on its behalf by:

S Dunford Baker  
Director

Company Registration No. 11153882

# PROJECT IMAGINE LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Share premium account	Equity reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 October 2020</b>	241	14,321,442	2,031,380	-	(10,593,358)	5,759,705
<b>Year ended 30 September 2021:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(4,749,963)	(4,749,963)
Issue of share capital	18	52	6,738,612	-	-	6,738,664
Conversion of loan to shares	18	-	-	(2,031,380)	-	(2,031,380)
Reduction of shares	18	(3)	-	-	-	(3)
Equity to be issued	-	-	-	462,405	-	462,405
<b>Balance at 30 September 2021</b>	290	21,060,054	-	462,405	(15,343,321)	6,179,428
<b>Year ended 30 September 2022:</b>						
Loss and total comprehensive income for the year	18	-	-	-	(4,778,647)	(4,778,647)
Issue of share capital	18	39	5,569,691	-	-	5,569,730
Reduction of shares	18	(12)	-	-	-	(12)
Equity to be issued	-	-	-	(462,405)	-	(462,405)
<b>Balance at 30 September 2022</b>	317	26,629,745	-	-	(20,121,968)	6,508,094

# PROJECT IMAGINE LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Share premium account	Equity reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 October 2020</b>	241	14,321,442	2,031,380	-	(10,593,358)	5,759,705
<b>Year ended 30 September 2021:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(4,749,963)	(4,749,963)
Issue of share capital	18	52	6,738,612	-	-	6,738,664
Conversion of loan to shares	18	-	-	(2,031,380)	-	(2,031,380)
Reduction of shares	18	(3)	-	-	-	(3)
Equity to be issued	-	-	-	462,405	-	462,405
<b>Balance at 30 September 2021</b>	290	21,060,054	-	462,405	(15,343,321)	6,179,428
<b>Year ended 30 September 2022:</b>						
Loss and total comprehensive income for the year	18	-	-	-	(4,778,647)	(4,778,647)
Issue of share capital	18	39	5,569,691	-	-	5,569,730
Reduction of shares	18	(12)	-	-	-	(12)
Equity to be issued	-	-	-	(462,405)	-	(462,405)
<b>Balance at 30 September 2022</b>	317	26,629,745	-	-	(20,121,968)	6,508,094

# PROJECT IMAGINE LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	22	(5,579,604)	(4,202,181)
Interest paid		(138,585)	(54,610)
Income taxes refunded		906,184	1,310,179
<b>Net cash outflow from operating activities</b>		<b>(4,812,005)</b>	<b>(2,946,612)</b>
<b>Investing activities</b>			
Purchase of intangible assets		(660,278)	(2,097,089)
Purchase of tangible fixed assets		(37,687)	(19,744)
Interest received		131	-
<b>Net cash used in investing activities</b>		<b>(697,834)</b>	<b>(2,116,833)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		5,107,313	5,169,686
Issue of debentures		-	1,931,600
Repayment of debentures		(1,775,000)	(1,584,200)
Proceeds of borrowings		(259,883)	259,883
<b>Net cash generated from financing activities</b>		<b>3,072,430</b>	<b>5,776,969</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,437,409)</b>	<b>713,524</b>
Cash and cash equivalents at beginning of year		2,686,535	1,973,011
<b>Cash and cash equivalents at end of year</b>		<b>249,126</b>	<b>2,686,535</b>

# PROJECT IMAGINE LTD

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	23	(5,379,298)	(4,167,453)
Interest paid		(94,075)	13,765
Income taxes refunded		906,184	1,310,179
<b>Net cash outflow from operating activities</b>		<b>(4,567,189)</b>	<b>(2,843,509)</b>
<b>Investing activities</b>			
Purchase of intangible assets		(660,278)	(2,097,089)
Purchase of tangible fixed assets		(37,687)	(19,744)
Purchase of subsidiaries		-	(193,700)
<b>Net cash used in investing activities</b>		<b>(812,965)</b>	<b>(2,310,533)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		5,107,313	5,169,686
Proceeds of borrowings		(259,883)	259,883
<b>Net cash generated from financing activities</b>		<b>4,847,430</b>	<b>5,429,569</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(532,724)</b>	<b>275,527</b>
Cash and cash equivalents at beginning of year		781,850	506,323
<b>Cash and cash equivalents at end of year</b>		<b>249,126</b>	<b>781,850</b>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Project Imagine Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.

The group consists of Project Imagine Ltd and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Project Imagine Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group profit and loss account and statement of cash flows also include the results and cash flows of Dozens Savings PLC for the year ended 30 September 2022.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

### 1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At the time of approving the financial statements, the Directors have considered the cash requirements of the business for the following 12 months taking into account ongoing operational costs and the impact of inflation on potential sources of funds including the issue of additional equity. The Group is wholly reliant on support from a shareholder of the Company who remains committed to supporting the growth of the business in 2022.

As at November 2022, there are a number of parties interested in funding the business through primary investment or asset sales, funds from which are anticipated to take the Company to material revenue generation and eventually to break even.

Therefore, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. A material uncertainty relating to the going concern status of the Company would exist should the Company fail to secure adequate funding and is unable to support the Group.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for interchange fees, paid by card issuers for spending on Dozens branded cards and interest on customer balances held at partner banks under E-money and MiFID licences.

#### 1.5 Research and development expenditure

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

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	Straight line over 10 years.
Development costs	Straight line over 10 years

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash received for subscription of bonds is held in a designated "safeguarding" bank account that is independent of funds for use in the Company's working capital. Safeguarded funds specific to each bond issue are released to the Company on maturity of the respective bond, or at the pre-mature sale of the bond by customer.

#### 1.11 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable. Deferred tax has not been recognised as the Company is not expected to generate taxable liabilities in the foreseeable future.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Grants**

Grants receivable relate to government grants dispensed to assist businesses with the effects of the Covid-19 pandemic.

#### **1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Research & Development (R&D)

Judgment is required to determine whether the R&D tax credit should be recognised in the Group and Company Statement of Financial Position and Group and Company Statement of Comprehensive Income. R&D tax credits require the group to assess the likelihood that the claim will be successful and the asset will be recoverable in future periods. R&D tax credits are recognised to the extent that their recovery is probable with regard to current legislation and the likelihood of recovery.

#### Amortisation of intangibles

Intangible assets recognised are reviewed against the criteria for capitalisation with useful life determined by reference to the underlying product developed.

#### Impairment of development costs

Development costs do not have indefinite useful lives and are subject to an annual depreciation or amortisation charge. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

### 3 Turnover and other revenue

The Company turnover during the period consisted of fee income. Other income during the period was made up of grant funding.

All income was generated in the UK.

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Fee income	6,530	4,553
	<u>          </u>	<u>          </u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	131	-
Grants received	-	58,871
	<u>          </u>	<u>          </u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	34,148	(6,720)
Depreciation of owned tangible fixed assets	46,362	45,667
Impairment of fixed asset investments	134,665	371,984
Amortisation of intangible assets	697,508	556,640
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	16,000	13,500
Audit of the financial statements of the company's subsidiaries	-	9,600
	<u>          </u>	<u>          </u>
	16,000	23,100
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	1,100	500
All other non-audit services	2,950	1,905
	<u>          </u>	<u>          </u>
	4,050	2,405
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	8	8	5	5
Branding & Marketing	3	3	3	3
Finance and Legal	3	4	3	4
Operations	10	14	10	14
Product & Technology	3	8	3	8
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	27	37	24	34
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,491,855	2,130,449	1,478,355	2,112,449
Social security costs	170,891	239,438	170,891	239,438
Pension costs	21,784	32,454	21,784	32,454
	<u>1,684,530</u>	<u>2,402,341</u>	<u>1,671,030</u>	<u>2,384,341</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	472,750	433,582
Company pension contributions to defined contribution schemes	3,020	2,646
	<u>475,770</u>	<u>436,228</u>

There were 3 directors in the group's defined contribution pension scheme (2021 - 3)

Emoluments of the highest paid director were £254,147 (2021 - £253,406). Company pension contributions of £1,321 (2021 - £1,317) were made to a pension scheme on his behalf.

### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	131	-
	<u>131</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	131	-
	<u>131</u>	<u>-</u>

### 9 Interest payable and similar expenses

	2022 £	2021 £
<b>Other finance costs:</b>		
Other interest	138,585	54,610
	<u>138,585</u>	<u>54,610</u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(606,601)	(906,184)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(5,385,248)	(5,656,147)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,023,197)	(1,074,668)
Tax effect of expenses that are not deductible in determining taxable profit	41,685	20,322
R&D enhanced deduction	(261,011)	(671,147)
Tax losses surrendered	631,906	281,230
Unutilised tax losses carried forward	-	538,079
Permanent capital allowances in excess of depreciation	4,016	-
Taxation credit	(606,601)	(906,184)

At 30 September 2022, the Group had tax allowable losses of £18,517,682 (2021 - £15,191,859) to carry forward against future trade profits or for group relief.

The company has not recognised a deferred tax asset as its ability to utilise the losses in the near future has been deemed uncertain.

### 11 Intangible fixed assets

Group	Patents & licences £	Development costs £	Total £
<b>Cost</b>			
At 1 October 2021	71,418	6,694,859	6,766,277
Additions	-	660,278	660,278
At 30 September 2022	71,418	7,355,137	7,426,555
<b>Amortisation and impairment</b>			
At 1 October 2021	7,746	1,051,254	1,059,000
Amortisation charged for the year	-	697,508	697,508
At 30 September 2022	7,746	1,748,762	1,756,508

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 11 Intangible fixed assets (Continued)

<b>Carrying amount</b>			
At 30 September 2022	63,672	5,606,375	5,670,047
	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>
At 30 September 2021	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>
	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>
<b>Company</b>	<b>Patents &amp; licences</b>	<b>Development costs</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 October 2021	71,418	6,694,859	6,766,277
Additions	-	660,278	660,278
	<u>71,418</u>	<u>7,355,137</u>	<u>7,426,555</u>
At 30 September 2022	<u>71,418</u>	<u>7,355,137</u>	<u>7,426,555</u>
	<u>71,418</u>	<u>7,355,137</u>	<u>7,426,555</u>
<b>Amortisation and impairment</b>			
At 1 October 2021	7,746	1,051,254	1,059,000
Amortisation charged for the year	-	697,508	697,508
	<u>7,746</u>	<u>1,748,762</u>	<u>1,756,508</u>
At 30 September 2022	<u>7,746</u>	<u>1,748,762</u>	<u>1,756,508</u>
	<u>7,746</u>	<u>1,748,762</u>	<u>1,756,508</u>
<b>Carrying amount</b>			
At 30 September 2022	63,672	5,606,375	5,670,047
	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>
At 30 September 2021	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>
	<u>63,672</u>	<u>5,643,605</u>	<u>5,707,277</u>

### 12 Tangible fixed assets

<b>Group</b>	<b>Fixtures and fittings</b>	<b>Computers</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 October 2021	18,989	183,555	202,544
Additions	12,210	25,477	37,687
	<u>31,199</u>	<u>209,032</u>	<u>240,231</u>
At 30 September 2022	<u>31,199</u>	<u>209,032</u>	<u>240,231</u>
	<u>31,199</u>	<u>209,032</u>	<u>240,231</u>
<b>Depreciation and impairment</b>			
At 1 October 2021	10,311	111,717	122,028
Depreciation charged in the year	4,160	42,202	46,362
	<u>14,471</u>	<u>153,919</u>	<u>168,390</u>
At 30 September 2022	<u>14,471</u>	<u>153,919</u>	<u>168,390</u>
	<u>14,471</u>	<u>153,919</u>	<u>168,390</u>
<b>Carrying amount</b>			
At 30 September 2022	16,728	55,113	71,841
	<u>16,728</u>	<u>55,113</u>	<u>71,841</u>
At 30 September 2021	<u>8,678</u>	<u>71,838</u>	<u>80,516</u>
	<u>8,678</u>	<u>71,838</u>	<u>80,516</u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 12 Tangible fixed assets (Continued)

Company	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 October 2021	18,989	183,555	202,544
Additions	12,210	25,477	37,687
	<u>31,199</u>	<u>209,032</u>	<u>240,231</u>
At 30 September 2022			
<b>Depreciation and impairment</b>			
At 1 October 2021	10,311	111,717	122,028
Depreciation charged in the year	4,160	42,202	46,362
	<u>14,471</u>	<u>153,919</u>	<u>168,390</u>
At 30 September 2022			
<b>Carrying amount</b>			
At 30 September 2022	16,728	55,113	71,841
	<u>8,678</u>	<u>71,838</u>	<u>80,516</u>
At 30 September 2021			

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	-	19,665

At the year end the Company reviewed the value of the investment in its subsidiary Dozens Savings Plc. Taking into account the historic losses incurred in the subsidiary to date and with no expected revenue in the immediate future, the Company has written down its investment to the value of the subsidiary's net assets.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 October 2021 19,665

Additions 115,000

At 30 September 2022 134,665

#### Impairment

At 1 October 2021 -

Impairment losses 134,665

At 30 September 2022 134,665

#### Carrying amount

At 30 September 2022 -

At 30 September 2021 19,665

### 14 Subsidiaries

Details of the company's subsidiary at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Dozens Savings PLC	UK	Provision of fixed income financial investment products	Ordinary	100.00

### 15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Corporation tax recoverable	606,601	906,184	606,601	906,184
Amounts owed by group undertakings	-	-	-	85,300
Other debtors	147,601	398,557	147,601	399,657
Prepayments and accrued income	44,530	69,755	44,530	66,564
	<u>798,732</u>	<u>1,374,496</u>	<u>798,732</u>	<u>1,457,705</u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 16 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
Notes	£	£	£	£
Bonds in Issue	-	1,775,000	-	-
Other borrowings	-	259,883	-	259,883
Trade creditors	100,123	595,649	100,123	581,789
Other taxation and social security	32,514	712,347	32,514	712,347
Other creditors	32,631	190,261	32,631	190,261
Accruals and deferred income	116,384	136,256	116,384	123,305
	<u>281,652</u>	<u>3,669,396</u>	<u>281,652</u>	<u>1,867,585</u>

Included within Other Creditors is pension liability of £4,949 (2021 - £7,766)

The amount of £nil (2021 - £1,775,000) shown in Bonds in issue relates to a series of bonds issued during the prior year with a coupon rate of 5% which matured during the year. These amounts were net of bonds repurchased early by Project Imagine. These bonds were listed on the Aquis Growth Market and are secured via a fixed charge on cash deposited in a secured bank account that is independent of funds used for the Company's working capital. Safeguarded funds specific to each bond issue are released to the Company on maturity of the respective bond, or at the pre-mature sale of the bond by customer.

### 17 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>21,784</u>	<u>32,454</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 18 Share capital

	Group and company	
	2022	2021
Ordinary share capital	£	£
<b>Issued and fully paid</b>		
350,000 (2021: 350,000) A (Founder) Ordinary shares 0.01p each	35	35
389,274 (2021: 386,274) B (Investor) Ordinary shares of 0.01p each	39	39
0 (2021: 122,094) Founding Employee shares of 0.01p each	-	12
679,852 (2024: 664,854) Deferred shares of £0.01p each	68	66
304,998 (2021: 271,124) Growth shares of 0.01p each	30	27
	<u>172</u>	<u>179</u>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 18 Share capital

(Continued)

#### Preference share capital

##### Issued and fully paid

Preference shares classified as equity	145	111
Preference shares classified as liabilities	(145)	(111)
	-	-
<b>Total equity share capital</b>	<b>317</b>	<b>290</b>

The company has six classes of shares.

A (Founder) Ordinary shares (previously *A Ordinary shares*) carry full rights in the company with respect to voting and dividends. Holders of these shares have a right to share in the surplus on assets on winding up or return of capital following the acquisition prices of the Preferred Ordinary shares (including any share premium) being distributed to holders of the Preferred Ordinary Shares. A Ordinary shares are not to be redeemed or liable to be redeemed.

B (Investor) Ordinary shares (previously *B Ordinary shares*) carry full rights in the company with respect to voting and dividends. Holders of these shares have a right to share in the surplus on assets on winding up or return of capital following the acquisition prices of the Preferred Ordinary shares (including any share premium) being distributed to holders of the Preferred Ordinary Shares. B Ordinary shares are not to be redeemed or liable to be redeemed.

Founding Employee shares (previously *C Ordinary shares*) do not carry voting rights, but do carry a right to dividends. Holders of these shares have a right to share in the surplus on assets on winding up or return of capital following the acquisition prices of the Preferred Ordinary shares (including any share premium) being distributed to holders of the Preferred Ordinary Shares. C Ordinary shares are not to be redeemed or liable to be redeemed.

Preferred Ordinary shares carry full rights in the company with respect to voting and dividends. Holders of these shares have a right to receive their acquisition price (including any share premium) back in priority to the distribution of any assets to other classes of shares in the company and to then share in any surplus assets. Preferred Ordinary shares are not to be redeemed or liable to be redeemed.

Growth shares carry rights in the company with respect to voting and dividends. Holders of these shares have certain rights to to share in the surplus on assets on winding up or return of capital alongside certain other classes of shares in the company in accordance with the company's articles of association. Growth shares are not to be redeemed or liable to be redeemed.

Deferred shares do not carry voting rights at a general meeting and do not entitle their holder to dividend distributions or any other return of capital (other than payment of £1 for their entire class of deferred shares on a return of capital/winding up) , Deferred shares are not to be redeemed or liable to be redeemed.

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 18 Share capital

(Continued)

During the year, the following share issues were made:

B (Early Investor) Preference shares of £0.0001 each

- On 2 November 2021, 51,561 shares were allotted at a premium of £24.999 per share for total consideration of £1,253,363
- On 30 November 2021, 14,960 shares were allotted at a premium of £24.999 per share for total consideration of £373,999
- On 10 December 2021, 13,479 shares were allotted at a premium of £24.999 per share for total consideration of £336,974
- On 04 May 2022, 5,128 shares were allotted at a premium of £24.999 per share for total consideration of £128,199
- On 09 May 2022, 48,738 shares were allotted at a premium of £24.999 per share for total consideration of £1,218,445
- On 23 May 2022, 20,000 shares were allotted at a premium of £24.999 per share for total consideration of £499,998
- On 27 May 2022, 12,327 shares were allotted at a premium of £24.999 per share for total consideration of £308,174
- On 31 August 2022, 48,000 shares were allotted at a premium of £24.999 per share for total consideration of £1,199,995
- On 22 September 2022, 10,000 shares were allotted at a premium of £24.999 per share for total consideration of £249,999

Growth shares of £0.0001 each

- On 2 November 2021, 10,500 shares were allotted at a premium of £0.0099 per share for total consideration of £104.
- On 30 November 2021, 41,601 shares were allotted at a premium of £0.0099 per share for total consideration of £412.
- On 18 May 2022, 2,875 shares were allotted at a premium of £0.0099 per share for total consideration of £28.

During the year, the following share re-designations were made:

Deferred shares of £0.0001 each

- On 11 October 2021, 1,000 shares were re-designated as Growth shares of £0.0001 each
- On 29 October 2021, 500 shares were re-designated as Growth shares of £0.0001 each

Founding employee shares of £0.0001 each

- On 25 November 2021, 2,035 shares were re-designated as Deferred shares of £0.0001 each

Growth shares of £0.0001 each

- On 25 November 2021, 675 shares were re-designated as Deferred shares of £0.0001 each
- On 30 November 2021, 750 shares were re-designated as Deferred shares of £0.0001 each
- On 21 January 2022, 150 shares were re-designated as Deferred shares of £0.0001 each
- On 04 February 2022, 200 shares were re-designated as Deferred shares of £0.0001 each
- On 17 May 2022, a further 1,100 shares were re-designated as Deferred shares of £0.0001 each
- On 24 June 2022, 2,427 shares were re-designated as Deferred shares of £0.0001 each
- On 05 August 2022, 5,800 shares were re-designated as Deferred shares of £0.0001 each
- On 12 September 2022, 10,500 shares were re-designated as Deferred shares of £0.0001 each

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 19 Events after the reporting date

Project Imagine Limited:

No events to report.

Dozens Savings Plc:

No further bonds were issued.

### 20 Related party transactions

#### Remuneration of key management personnel

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 remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	658,382	813,004

The company is exempt from disclosing related party transactions as they are with another company that is wholly owned within the group.

During the year, fees of £13,500 (2021 - £18,000) were charged by Mr A Rajpal for services as non-executive director for the subsidiary Dozens Savings Plc. At the balance sheet date, Dozens Savings Plc owed Mr A Rajpal £nil (2021: £1,500).

### 21 Controlling party

The ultimate controlling party is Clement Tung.

### 22 Cash absorbed by group operations

	2022 £	2021 £
Loss for the year after tax	(4,778,647)	(4,749,963)
<b>Adjustments for:</b>		
Taxation credited	(606,601)	(906,184)
Finance costs	138,585	18,978
Investment income	(131)	-
Amortisation and impairment of intangible assets	697,508	556,640
Depreciation and impairment of tangible fixed assets	46,362	45,667
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	276,181	(93,460)
(Decrease)/increase in creditors	(1,352,861)	890,509
<b>Cash absorbed by operations</b>	<b>(5,579,604)</b>	<b>(4,237,813)</b>

# PROJECT IMAGINE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 23 Cash absorbed by operations - company

	2022 £	2021 £
Loss for the year after tax	(4,778,647)	(4,749,963)
<b>Adjustments for:</b>		
Taxation credited	(606,601)	(906,184)
Finance costs	94,075	(49,397)
Amortisation and impairment of intangible assets	697,508	556,640
Depreciation and impairment of tangible fixed assets	46,362	45,667
Amounts written off investments	134,665	202,051
<b>Movements in working capital:</b>		
Decrease in debtors	359,390	33,441
(Decrease)/increase in creditors	(1,326,050)	664,660
<b>Cash absorbed by operations</b>	<b>(5,379,298)</b>	<b>(4,203,085)</b>

### 24 Analysis of changes in net funds - group

	1 October 2021 £	Cash flows £	30 September 2022 £
Cash at bank and in hand	2,686,535	(2,437,409)	249,126
Borrowings excluding overdrafts	(2,034,883)	2,034,883	-
	<u>651,652</u>	<u>(402,526)</u>	<u>249,126</u>

### 25 Analysis of changes in net funds - company

	1 October 2021 £	Cash flows £	30 September 2022 £
Cash at bank and in hand	781,850	(532,724)	249,126
Borrowings excluding overdrafts	(259,883)	259,883	-
	<u>521,967</u>	<u>(272,841)</u>	<u>249,126</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.