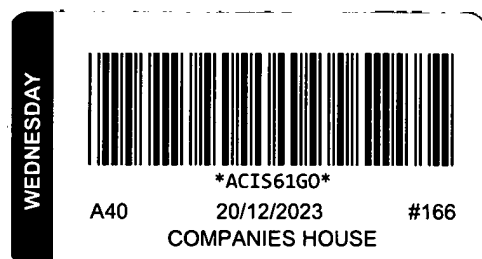


COMPANY REGISTRATION NUMBER: SC342868

Query Click Limited
Filleted Financial Statements
31 May 2023



CT
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

CT:

Query Click Limited**Statement of Financial Position****31 May 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	114,735	166,500
Tangible assets	6	30,917	31,318
		<u>145,652</u>	<u>197,818</u>
Current assets			
Debtors	7	701,474	953,963
Cash at bank and in hand		534,318	637,601
		<u>1,235,792</u>	<u>1,591,564</u>
Creditors: amounts falling due within one year	8	868,833	700,613
Net current assets		<u>366,959</u>	<u>890,951</u>
Total assets less current liabilities		<u>512,611</u>	<u>1,088,769</u>
Net assets		<u>512,611</u>	<u>1,088,769</u>
Capital and reserves			
Called up share capital	10	136	136
Share premium account	11	3,219,371	3,219,371
Profit and loss account	11	(2,706,896)	(2,130,738)
Shareholders funds		<u>512,611</u>	<u>1,088,769</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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

These financial statements were approved by the board of directors and authorised for issue on 28 November 2023 and are signed on behalf of the board by:



C A Liversidge
Director

Company registration number: SC342868

The notes on pages 2 to 10 form part of these financial statements.

Query Click Limited

Notes to the Financial Statements

Year ended 31 May 2023

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is C/O BTO Solicitors LLP, One Edinburgh Quay, 133 Fountainbridge, Edinburgh, EH3 9QG, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The digital marketing consulting services division of the company remains strong and as an individual unit would deliver a positive cash flow. The cash generated by the services division is helping to fund the losses generated by the development, sales and marketing activities of the software division which remains reliant on continued investor support. The directors believe the business will be able to demonstrate sufficient progress in the development and sale of the Corvidae software solution, coupled with a strong sales pipeline and extensive market opportunity to secure further investment to continue those loss-making activities.

The company's recent £2m of equity investment provides a strong cash base for the business and provides the Board confidence on a going concern basis.

Based on the above, the directors believe it is appropriate to prepare the financial statements on a going-concern basis.

Judgements and key sources of estimation uncertainty

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

Key estimates - development expenditure

The amount of staff costs capitalised as an intangible asset is based on management's best estimate of the proportion of time spent by staff developing products.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Revenue recognition

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

Rendering of services

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

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Grant income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Intangible assets

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible fixed assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Development costs

Capitalised development costs are the payroll costs of software developers and data scientists representing time spent on specific sub-projects that meet appropriate criteria as set out in the Research and development accounting policy. Each sub-project is separately identified and represents a standalone deliverable part within the development pipeline of larger ongoing R&D projects. These overall R&D projects will continue for the foreseeable future with the sub-projects covering new, improved and automated aspects of our unique attribution modelling from the collection of multiple data sources, the data's subsequent cleansing and re-building, machine learning and statistical modelling, front end and reporting.

The percentage of time each person spends on a sub-project is calculated by reference to their worked hours for the month. This proportion of the individual's payroll costs are capitalised against that sub-project on the Balance Sheet. Each sub-project is tracked separately and amortisation commences from the month that sub-project is completed.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents	-	20% straight line
Development costs	-	50% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 2 to 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% straight line
Office equipment	- 33% straight line
Leasehold improvements	- 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Financial instruments

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Defined contribution plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period where the effect on the financial statements is material. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 48 (2022: 45).

5. Intangible assets

	Patents £	Development costs £	Total £
Cost			
At 1 June 2022	33,520	348,778	382,298
Additions	–	–	–
Additions from internal developments	–	83,201	83,201
At 31 May 2023	33,520	431,979	465,499
Amortisation			
At 1 June 2022	18,731	197,067	215,798
Charge for the year	5,303	129,663	134,966
At 31 May 2023	24,034	326,730	350,764
Carrying amount			
At 31 May 2023	9,486	105,249	114,735
At 31 May 2022	14,789	151,711	166,500

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

6. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 June 2022	1,434	99,184	100,618
Additions	–	19,700	19,700
Disposals	(108)	–	(108)
At 31 May 2023	1,326	118,884	120,210
Depreciation			
At 1 June 2022	1,009	68,291	69,300
Charge for the year	313	19,787	20,100
Disposals	(107)	–	(107)
At 31 May 2023	1,215	88,078	89,293
Carrying amount			
At 31 May 2023	111	30,806	30,917
At 31 May 2022	425	30,893	31,318

7. Debtors

	2023 £	2022 £
Trade debtors	312,122	652,495
Other debtors	389,352	301,468
	701,474	953,963

8. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	142,628	69,314
Social security and other taxes	139,836	204,128
Other creditors	586,369	427,171
	868,833	700,613

9. Share-based payments

Under the terms of the share option scheme (the Enterprise Management Incentive Scheme) the Board may offer staff options over ordinary shares of the company. No consideration was received, and the options can be exercised upon an exit event.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 June 2022	55,000	1.43	90,000	1.58
Granted during the year	22,500	2.31	17,500	2.31
Expired during the year	(20,000)	(1.71)	(52,500)	(1.99)
Outstanding at 31 May 2023	57,500	1.68	55,000	1.43

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

9. Share-based payments *(continued)*

The total expense recognised in profit or loss for the year is as follows:

	2023	2022
	£	£
Equity-settled share-based payments	<u>5,004</u>	<u>10,569</u>

The estimated fair values were calculated by applying the Black-Scholes option pricing model.

10. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>1,358,627</u>	<u>136</u>	<u>1,358,627</u>	<u>136</u>

11. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

Includes all current and prior period retained profits and losses.

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	<u>22,308</u>	<u>9,502</u>

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £98,030 (2022: £76,789).

At the reporting date, contributions totalling £14,797 (2022: £10,382) were payable to the fund and are included in other creditors.

14. Events after the end of the reporting period

In October 2023, the company issued 416,942 new A Ordinary £0.0001 shares in order to raise new funds. This resulted in further funding of £2,105,557 being received in October 2023.

15. Summary audit opinion

The auditor's report for the year ended 31 May 2023 was unqualified.

The senior statutory auditor was Barry Truswell, for and on behalf of CT.

Query Click Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

16. Directors' advances, credits and guarantees

Included within other debtors is an amount of £nil (2022: £21,544) due from a director, C A Liversidge. This loan is unsecured, interest free and has no fixed repayment term.

During the year, £21,896 (2022: £18,000) of fees were charged by PSA Partners LLP in respect of directors fees for services of Philip Andrews. The amount payable to PSA Partners at the year end is £2,012 (2022: £nil).

17. Related party transactions

During the prior year, Query Click Limited provided recruitment services to Cooper Software, a company where Richard Lewis is also Chairman. The services were provided at cost and totalled £nil (2022: £23,683). The balance due from Cooper Software at the year end was £nil (2022: £2,205).

18. Controlling party

At the year end, the ultimate controlling party of the company was C A Liversidge, by virtue of his shareholding.