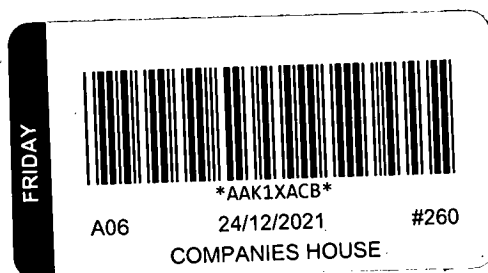


Company Registration No. 08054296 (England and Wales)

SOCIAL MONEY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



SOCIAL MONEY LIMITED

COMPANY INFORMATION

Director	L P Alexander
Company number	08054296
Registered office	2nd Floor, St Johns House Barrington Road Altrincham Greater Manchester UK WA14 1JY
Auditor	Eric Langer BSc FCA Langer & Co Chartered accountant and Statutory auditor 8-10 Gatley Road Cheadle Cheshire SK8 1PY

SOCIAL MONEY LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

SOCIAL MONEY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The director presents the strategic report for the year ended 31 March 2021.

Review of the business

Social Money Limited arranges bridging finance secured on UK property. The bridging finance loan book stood at £56.9m at the year end and is financed by lenders and investors. The company also arranges consumer credit loans. The consumer credit loan book stood at £1.8m at the year end and is financed by internal capital and reserves.

97% of the company's trade debtors are secured bridging finance and 3% are consumer credit loans.

Principal risks and uncertainties

Bridging finance is naturally exposed to volatilities in the property market. However, lending is short term and risk is managed with cautious loan to value lending criteria.

Consumer credit lending is based on affordability.

Key performance indicators

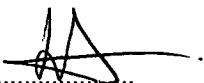
The company has achieved year on year increases in turnover and funds lent since inception. Headcount has increased significantly as we lay the foundations for future growth.

Pre tax profit increased from £3.9m to £4.8m during the year.

Research and development

Technology continues to be at the heart of the business and an in-house team has developed cutting edge technologies to deliver financial payment and loan services. Innovative solutions are enhancing and expanding both the core bridging platform and consumer credit technology and this will continue to be a focus.

On behalf of the board



.....
L P Alexander
Director

Date: 23/12/21

SOCIAL MONEY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The director presents his annual report and financial statements for the year ended 31 March 2021.

Director

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

L P Alexander

C G R Alexander

(Resigned 22 February 2021)

Results and dividends

The results for the year are set out on page 8.

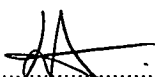
The profit for the year after taxation was £3,853,263 (2020: £3,217,387).

Interim ordinary dividends were paid amounting to £6,834,723. The director does not recommend payment of a final dividend.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



.....
L P Alexander

Director

Date:23/12/21.....

SOCIAL MONEY LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

SOCIAL MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIAL MONEY LIMITED

Opinion

I have audited the financial statements of Social Money Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and my auditor's report thereon. The director is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

SOCIAL MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOCIAL MONEY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which I am required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified material misstatements in the strategic report and the director's report.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by me or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

SOCIAL MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOCIAL MONEY LIMITED

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, I considered the following:

Enquiries of management, including obtaining and reviewing supporting documentation, concerning policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

remuneration policies, key drivers for remuneration and bonus levels; and

Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team have experience of working with companies and this experience was relevant to the discussion about where fraud risks may arise.

In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations I considered in this context included the UK Companies Act and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Audit response to risks identified

As a result of performing the above, I did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, my procedures to respond to risks identified included the following:

Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Enquiring of management concerning actual and potential litigation and claims;

Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Reading and reviewing correspondence with relevant authorities including HMRC ;

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

SOCIAL MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOCIAL MONEY LIMITED

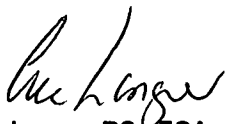
As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Use of my 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for my audit work, for this report, or for the opinions I have formed.



Eric Langer BSc FCA
Langer & Co
Chartered Accountant and Statutory Auditor

Date: 23rd December 2021

8-10 Gatley Road
Cheadle
Cheshire
SK8 1PY

SOCIAL MONEY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
		£	£
Turnover	2	12,960,410	11,322,092
Cost of sales		(4,802,682)	(4,508,093)
Gross profit		8,157,728	6,813,999
Administrative expenses		(3,570,011)	(3,011,603)
Other operating income		165,431	-
Operating profit	3	4,753,148	3,802,396
Interest receivable and similar income	6	50,363	67,617
Interest payable and similar expenses	7	(20,638)	(3,276)
Profit before taxation		4,782,873	3,866,737
Tax on profit	8	(929,610)	(649,350)
Profit for the financial year		3,853,263	3,217,387

The income statement has been prepared on the basis that all operations are continuing operations.

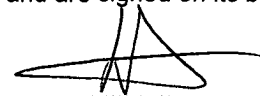
SOCIAL MONEY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10	123,564		38,274	
Investments	11	1,000,000		-	
		<u>1,123,564</u>		<u>38,274</u>	
Current assets					
Debtors	13	61,930,339	53,935,222		
Cash at bank and in hand		10,398,605	5,749,901		
		<u>72,328,944</u>	<u>59,685,123</u>		
Creditors: amounts falling due within one year	14	(69,359,652)	(52,662,173)		
Net current assets		<u>2,969,292</u>		<u>7,022,950</u>	
Total assets less current liabilities		<u>4,092,856</u>		<u>7,061,224</u>	
Provisions for liabilities					
Deferred tax liability	15	19,349	6,257		
		<u>(19,349)</u>	<u>(6,257)</u>		
Net assets		<u>4,073,507</u>		<u>7,054,967</u>	
Capital and reserves					
Called up share capital	17	106	106		
Profit and loss reserves		4,073,401	7,054,861		
Total equity		<u>4,073,507</u>	<u>7,054,967</u>		

The financial statements were approved by the board of directors and authorised for issue on 23/12/21 and are signed on its behalf by:



L P Alexander
Director

Company Registration No. 08054296

SOCIAL MONEY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		106	4,137,474	4,137,580
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	3,217,387	3,217,387
Dividends	9	-	(300,000)	(300,000)
Balance at 31 March 2020		106	7,054,861	7,054,967
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	3,853,263	3,853,263
Dividends	9	-	(6,834,723)	(6,834,723)
Balance at 31 March 2021		106	4,073,401	4,073,507

SOCIAL MONEY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23	4,477,332		2,554,535	
Interest paid		(20,638)		(3,276)	
Income taxes paid		(589,985)		(1,505,898)	
Net cash inflow from operating activities		3,866,709		1,045,361	
Investing activities					
Purchase of tangible fixed assets		(116,749)		(32,440)	
Investment in subsidiary		(1,000,000)		-	
Receipts arising from loans made		1,283,824		243,429	
Interest received		50,363		67,617	
Net cash generated from investing activities		217,438		278,606	
Financing activities					
Loans from group undertakings		7,399,280		-	
Dividends paid		(6,834,723)		(300,000)	
Net cash generated from/(used in) financing activities		564,557		(300,000)	
Net increase in cash and cash equivalents		4,648,704		1,023,967	
Cash and cash equivalents at beginning of year		5,749,901		4,725,934	
Cash and cash equivalents at end of year		10,398,605		5,749,901	

SOCIAL MONEY LIMITED

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

1 Accounting policies

Company information

Social Money Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, St Johns House, Barrington Road, Altrincham, Greater Manchester, UK, WA14 1JY.

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 have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA state.

1.2 Going concern

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

1.3 Turnover and cost of sales

Turnover represents interest on loans and fees earned during the year.

Cost of sales represents investor interest, broker costs and valuation fees.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.5 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:

Leasehold improvements	Straight line over lease term
Fixtures and fittings	25% on reducing balance
Office furniture & equipment	25% straight line

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

1.7 Financial instruments

A financial asset or a financial liability is recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Trade debtors and creditors respectively represent amounts receivable and payable in respect of crowd funded lending activities and consumer credit finance. They are basic financial instruments, initially recognised at the transaction price and subsequently measured at their settlement value after due provision for bad and doubtful debts.

Bridging finance loans are secured by charges over properties owned by the borrowers; this security is held in a segregated trust for the investors as beneficiaries under that trust.

Liabilities are recognised at the amount the company expects to pay to settle the debt or the amount it has received as advance payment for the services it must provide.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is recognised on taxable profit for the current and past periods and is measured at the amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date and is measured using the tax rates and laws that are expected to apply to the reversal of the timing differences.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.10 Retirement benefits

The company makes contributions to a money purchase pension scheme for the benefit of its employees. Pension contributions are charged as an expense as they fall due.

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Government grants

Grants of a revenue nature are recognised in income at the amounts received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Turnover and other revenue

Turnover was in respect of activities in the UK and is analysed as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Bridging loan finance	10,818,972	9,331,944
Consumer credit	2,141,438	1,990,148
	<u>12,960,410</u>	<u>11,322,092</u>

3 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(165,431)	-
Fees payable to the company's auditor for the audit of the company's financial statements	11,100	6,000
Depreciation of owned tangible fixed assets	31,459	10,892
Operating lease charges	<u>94,843</u>	<u>162,133</u>

4 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor		
For audit services		
Audit of the financial statements of the company	<u>11,100</u>	<u>6,000</u>

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 39 (2020 - 35).

	2021 Number	2020 Number
Sales	15	13
Loan operations	12	10
Administration	12	12
Total	39	35

	2021 £	2020 £
Wages and salaries	1,747,879	1,485,702
Social security costs	189,232	160,765
Pension costs	31,395	28,031
	1,968,506	1,674,498

6 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	50,363	67,617

7 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs:		
Other interest	20,638	3,276

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	916,518	685,552
Adjustments in respect of prior periods	-	(39,281)
Total current tax	<u>916,518</u>	<u>646,271</u>
Deferred tax		
Origination and reversal of timing differences	<u>13,092</u>	<u>3,079</u>
Total tax charge	<u>929,610</u>	<u>649,350</u>

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

	2021 £	2020 £
Profit before taxation	<u>4,782,873</u>	<u>3,866,737</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	908,746	734,680
Tax effect of expenses that are not deductible in determining taxable profit	20,864	11,681
Under/(over) provided in prior years	-	(39,281)
Research and development expenditure enhancement	-	(57,730)
Taxation charge for the year	<u>929,610</u>	<u>649,350</u>

9 Dividends

	2021 £	2020 £
Interim paid	<u>6,834,723</u>	<u>300,000</u>

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Office furniture & equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	-	-	67,187	67,187
Additions	54,604	48,059	14,086	116,749
Transfers	-	24,277	(24,277)	-
At 31 March 2021	54,604	72,336	56,996	183,936
Depreciation and impairment				
At 1 April 2020	-	-	28,913	28,913
Depreciation charged in the year	11,633	10,129	9,697	31,459
Transfers	-	165	(165)	-
At 31 March 2021	11,633	10,294	38,445	60,372
Carrying amount				
At 31 March 2021	42,971	62,042	18,551	123,564
At 31 March 2020	-	-	38,274	38,274

11 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	12	1,000,000	-

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2020	-
Additions	1,000,000
At 31 March 2021	1,000,000
Carrying amount	
At 31 March 2021	1,000,000
At 31 March 2020	-

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Social Money Two Limited	UK	Ordinary shares	100.00

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	58,701,477	49,185,481
Corporation tax recoverable	604,609	526,548
Other debtors	2,621,753	4,223,193
Prepayments and accrued income	2,500	-
	<u>61,930,339</u>	<u>53,935,222</u>

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Amounts owed to group undertakings		7,399,280	-
Trade creditors		57,914,785	50,033,732
Corporation tax		822,125	417,531
Other taxation and social security		335,452	193,003
Other creditors		84,663	65,007
Accruals and deferred income		2,803,347	1,952,900
		<u>69,359,652</u>	<u>52,662,173</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	<u>19,349</u>	<u>6,257</u>

SOCIAL MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Deferred taxation (Continued)

	2021 £
Movements in the year:	
Liability at 1 April 2020	6,257
Charge to profit or loss	13,092
Liability at 31 March 2021	<u>19,349</u>

16 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>31,395</u>	<u>28,031</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
SOMO1 Ordinary shares of 1p each	10,000	10,000	100	100
SOMO2 Ordinary shares of 1p each	53	53	1	1
PL Ordinary shares of 1p each	530	530	5	5
	<u>10,583</u>	<u>10,583</u>	<u>106</u>	<u>106</u>

18 Financial commitments, guarantees and contingent liabilities

In December 2020 pursuant to the acquisition by Social Money Group Limited of the entire share capital of Social Money Limited, C G R Alexander, a director at that time, exchanged her shares for £7,950,000 Secured Loan Notes 2023. The loan notes are secured by fixed and floating charges over the assets of Social Money Limited and other group companies. The fixed and floating charges cannot pierce the assets of the bridging investors that are held in trust. The assets that are held in trust for the bridging investors as beneficiaries are the legal charges held over UK property which they financed/invested and the cash held to their credit in the client trust account.