

Company registration number 09381071 (England and Wales)

**YELLOWDOG LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
**PAGES FOR FILING WITH REGISTRAR**

# YELLOWDOG LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr. S Ponsford Mr. G R Downey III Mr. B N Beckloff
<b>Company number</b>	09381071
<b>Registered office</b>	Engine Shed Clock Tower Yard Temple Meads Bristol BS1 6QH
<b>Accountants</b>	Azets Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff Wales CF23 8AB

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# YELLOWDOG LIMITED

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# YELLOWDOG LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	4		6,964		8,821
<b>Current assets</b>					
Debtors	5	339,080		493,828	
Cash at bank and in hand		250,185		230,162	
		<u>589,265</u>		<u>723,990</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(675,593)</u>		<u>(685,981)</u>	
<b>Net current (liabilities)/assets</b>			<u>(86,328)</u>		<u>38,009</u>
<b>Total assets less current liabilities</b>			<u>(79,364)</u>		<u>46,830</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(1,173,876)</u>		<u>(1,926,427)</u>
<b>Net liabilities</b>			<u><u>(1,253,240)</u></u>		<u><u>(1,879,597)</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		1,745		1,094
Share premium account			10,958,965		9,122,680
Equity reserve	11		157,670		-
Profit and loss reserves			<u>(12,371,620)</u>		<u>(11,003,371)</u>
<b>Total equity</b>			<u><u>(1,253,240)</u></u>		<u><u>(1,879,597)</u></u>

## **YELLOWDOG LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2023**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 March 2024 and are signed on its behalf by:

Mr. S Ponsford  
**Director**

Mr. B N Beckloff  
**Director**

**Company Registration No. 09381071**

# YELLOWDOG LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2022</b>		923	8,391,273	-	(9,317,776)	(925,580)
<b>Year ended 31 December 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(1,685,595)	(1,685,595)
Issue of share capital	10	171	731,407	-	-	731,578
<b>Balance at 31 December 2022</b>		1,094	9,122,680	-	(11,003,371)	(1,879,597)
<b>Year ended 31 December 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(1,368,249)	(1,368,249)
Issue of share capital	10	651	1,836,285	-	-	1,836,936
Other movements		-	-	157,670	-	157,670
<b>Balance at 31 December 2023</b>		1,745	10,958,965	157,670	(12,371,620)	(1,253,240)

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

#### **Company information**

YellowDog Limited is a private company limited by shares incorporated in England and Wales. The registered office is Engine Shed, Clock Tower Yard, Temple Meads, Bristol, BS1 6QH.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will continue to operate for the foreseeable future. In making their assessment the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities and cash that are in place alongside the opportunities to raise additional capital through the year. The company has begun commercialising its cloud solutions, and has a very supportive shareholder base who have provided additional investment in 2022 and 2023 and are committed to the long-term success of the company.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### **1.4 Research and development expenditure**

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

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 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:

Computers & IT equipment	Straight line over 5 years
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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 credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

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.

#### 1.7 Cash and cash equivalents

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.

#### 1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.



# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### **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.

#### **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 company 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.

#### **1.9 Compound instruments**

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

#### **1.10 Equity instruments**

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.11 Taxation

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

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 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.

#### 1.13 Retirement benefits

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

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.16 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

### 3 Employees

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

	2023 Number	2022 Number
Total	14	16

### 4 Tangible fixed assets

	Computers & IT equipment £
<b>Cost</b>	
At 1 January 2023	16,401
Additions	1,454
At 31 December 2023	17,855
<b>Depreciation and impairment</b>	
At 1 January 2023	7,580
Depreciation charged in the year	3,311
At 31 December 2023	10,891
<b>Carrying amount</b>	
At 31 December 2023	6,964
At 31 December 2022	8,821

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

<b>5 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	78,753	8,400
Corporation tax recoverable	240,212	281,417
Other debtors	20,115	204,011
	<u>339,080</u>	<u>493,828</u>
	<u><u>339,080</u></u>	<u><u>493,828</u></u>
<b>6 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans	5,339	5,207
Trade creditors	51,903	416,399
Taxation and social security	180,402	95,338
Other creditors	437,949	169,037
	<u>675,593</u>	<u>685,981</u>
	<u><u>675,593</u></u>	<u><u>685,981</u></u>
<b>7 Creditors: amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	31,860	37,212
Convertible loans	1,000,000	1,850,000
Other creditors	142,016	39,215
	<u>1,173,876</u>	<u>1,926,427</u>
	<u><u>1,173,876</u></u>	<u><u>1,926,427</u></u>
Creditors which fall due after five years are as follows:	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Payable by instalments	9,127	15,027
	<u>9,127</u>	<u>15,027</u>
	<u><u>9,127</u></u>	<u><u>15,027</u></u>
<b>8 Loans and overdrafts</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans	37,199	42,419
	<u>37,199</u>	<u>42,419</u>
	<u><u>37,199</u></u>	<u><u>42,419</u></u>
Payable within one year	5,339	5,207
Payable after one year	31,860	37,212
	<u>37,199</u>	<u>37,212</u>
	<u><u>37,199</u></u>	<u><u>37,212</u></u>

## YELLOWDOG LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 9 Convertible loan notes

	2023 £	2022 £
Liability component of convertible loan notes	1,000,000	1,850,000

During the financial year ending 31 December 2023, the company received convertible loans totalling £150,000.

During the period, £1,000,000 of convertible loan notes were converted into equity.

#### 10 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital issued and fully paid</b>				
Ordinary shares of £0.0001 each	4,580,301	3,800,156	458	380
Ordinary A shares of £0.0001 each	12,126,765	6,394,985	1,213	640
Deferred of £0.0001 each	742,913	742,913	74	74
	17,449,979	10,938,054	1,745	1,094

At 31 December 2023, there were subsisting qualifying EMI options and non-qualifying options over 1,324,440 (2022: 1,323,910) ordinary shares.

#### 11 Equity reserve

	2023 £	2022 £
At the beginning of the year	-	-
Other movements	157,670	-
At the end of the year	157,670	-

At 31 December 2023, there were advanced subscription agreements in place and the company had received £32,670 from subscribers. The amount will be converted in to equity shares at 31 January 2024.

At 31 December 2023, there was a simple agreement for future equity in place between the company and Bloc Ventures Limited. At 31 December 2023, the company had received £125,000 from the subscriber. The amount will be converted in to equity shares on the occurrence of a qualifying event.

# YELLOWDOG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **12 Related party transactions**

#### **Bloc Ventures Limited**

During the period ending 31 December 2023, the business incurred total expenditure of £86,250 (2022: £19,000) for directors' fees and marketing support. Included within trade creditors there is an amount of £30,000 (2022: £11,800) owed to Bloc Ventures Limited as at 31 December 2023.

Bloc Ventures Limited is a shareholder of the company.

During the period, Bloc Ventures Limited converted £550,000 convertible loan notes and £76,077 of accrued convertible loan note interest into equity.

#### **WiNoFi Capital Limited**

WiNoFi Capital Limited is a shareholder of the company.

During the period ending 31 December 2023, WiNoFi Capital Limited provided loan notes totalling £100,000. These loan notes and £5,211 of accrued convertible loan note interest were converted into equity during the period.

During the period, WiNoFi Capital Limited provided short term loans totalling £200,000 to the company. This amount is disclosed within other creditors - see note 6.

#### **Compton Services Limited**

During the period, Compton Services Limited provided short term loans totalling £123,750 to the company which were subsequently repaid within the period.

Compton Services Limited is connected to the company through common shareholders.

#### **Former directors**

At 31 December 2023, the company owed £28,493 (2022: £28,493) to G Williams, a former director of the company. G Williams continues to be a shareholder of the company. This balance is non-interest bearing.

### **13 Ultimate controlling party**

In the opinion of the directors, there is no ultimate controlling party.

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.