

Company registration number 09496687 (England and Wales)

SHADOW FOUNDR LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

SHADOW FOUNDR LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 9

SHADOW FOUNDR LTD

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		167,137		181,893
Tangible assets	5		3,960		2,998
			<u>171,097</u>		<u>184,891</u>
Current assets					
Debtors	6	80,696		95,882	
Cash at bank and in hand		157,170		198,521	
		<u>237,866</u>		<u>294,403</u>	
Creditors: amounts falling due within one year	7	<u>(44,827)</u>		<u>(88,348)</u>	
Net current assets			<u>193,039</u>		<u>206,055</u>
Total assets less current liabilities			<u>364,136</u>		<u>390,946</u>
Creditors: amounts falling due after more than one year	8		<u>(24,111)</u>		<u>(34,021)</u>
Net assets			<u><u>340,025</u></u>		<u><u>356,925</u></u>
Capital and reserves					
Called up share capital	9		600		575
Share premium account			2,486,091		2,236,116
Other reserves			30,692		47,106
Profit and loss reserves			<u>(2,177,358)</u>		<u>(1,926,872)</u>
Total equity			<u><u>340,025</u></u>		<u><u>356,925</u></u>

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

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 19 July 2023 and are signed on its behalf by:

Mr N Craft
Director

Company Registration No. 09496687

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Shadow Foundr Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 23-25 Montagu Street, London, W1H 7EZ.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

In assessing the going concern basis, the directors have considered the company's business activities and its financial position. As at 31 March 2023 the company had cash reserves of £157,170, had a net current assets position of £193,039 and net assets position of £340,025. The directors continue to closely monitor the company's liquidity and capital adequacy and in doing so, forecasts have been produced covering a period of at least twelve months from the date that the financial statements are approved.

The directors are actively pursuing, and are progressed in obtaining, additional equity funding that will see the entity secure sufficient resources to continue to operate and meet its obligations for the foreseeable future. The directors therefore consider that the company will be able to generate sufficient income and raise sufficient finance to fund its operations for the foreseeable future and to meet its liabilities as they fall due. As a result, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover is recognised once a minimum threshold for the investment is reached.

1.4 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.

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 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.

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:

Software	10% on a straight line basis
Development costs	20% on a straight line basis

1.6 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% on a reducing balance basis
Computers	25% on a reducing balance basis

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

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.

1.8 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.

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 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.

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.

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.

1.10 Equity instruments

Equity instruments issued by the company 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 company.

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.

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 Share-based payments

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.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

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.

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share options

The company has granted share options. The options have been calculated using the Black-Scholes model which requires judgement in determining and assessing key assumptions and therefore results in some estimation uncertainty.

3 Employees

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

	2023 Number	2022 Number
Total	4	7

4 Intangible fixed assets

	Software £	Development costs £	Total £
Cost			
At 1 April 2022	6,589	647,876	654,465
Additions - internally developed	-	78,335	78,335
At 31 March 2023	6,589	726,211	732,800
Amortisation and impairment			
At 1 April 2022	4,612	467,960	472,572
Amortisation charged for the year	659	92,432	93,091
At 31 March 2023	5,271	560,392	565,663
Carrying amount			
At 31 March 2023	1,318	165,819	167,137
At 31 March 2022	1,977	179,916	181,893

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2022	3,983	6,468	10,451
Additions	-	2,185	2,185
	<u>3,983</u>	<u>8,653</u>	<u>12,636</u>
At 31 March 2023	3,983	8,653	12,636
Depreciation and impairment			
At 1 April 2022	2,909	4,544	7,453
Depreciation charged in the year	268	955	1,223
	<u>3,177</u>	<u>5,499</u>	<u>8,676</u>
At 31 March 2023	3,177	5,499	8,676
Carrying amount			
At 31 March 2023	806	3,154	3,960
	<u>1,074</u>	<u>1,924</u>	<u>2,998</u>
At 31 March 2022	1,074	1,924	2,998

6 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	22,499	24,959
Corporation tax recoverable	26,125	35,413
Other debtors	32,072	35,510
	<u>80,696</u>	<u>95,882</u>

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	9,911	9,667
Trade creditors	6,695	-
Taxation and social security	3,386	51,128
Other creditors	24,835	27,553
	<u>44,827</u>	<u>88,348</u>

Included within bank loans is a bounce-back loan which has been aged in line with the proposed repayment schedule.

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans	24,111	34,021

Included within bank loans is a bounce-back loan which has been aged in line with the proposed repayment schedule.

9 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.1p each	600,004	575,004	600	575

On 8 March 2023 the company issued 25,000 ordinary shares of 0.1p each at a price of £10 per share resulting in a total consideration of £250,000.

10 Share-based payment transactions

The company has taken advantage of transitional exemptions not to apply FRS102 1A to any share-based payment transactions entered into before the transition date to FRS102 of 1 April 2016. There were no options granted prior to transition to FRS102 that were exercisable at 31 March 2023.

The following information only discloses information about share-based payment transactions granted on or after transition to FRS102:

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022 and 31 March 2023	2,500	2,500	6.00	6.00
Exercisable at 31 March 2023	2,500	2,500	6.00	6.00

The options outstanding at 31 March 2023 had an exercise price of £6.00 and a remaining contractual life of one year.

Inputs were as follows:

	2023	2022
Weighted average share price	18.00	18.00
Weighted average exercise price	6.00	6.00
Expected volatility	10.00	10.00
Expected life	0.67	1.30
Risk free rate	0.95	0.95

SHADOW FOUNDR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Share-based payment transactions

(Continued)

Liabilities and expenses

During the year, the company recognised a credit of £16,414 (2022 - £ Nil) which related to equity settled share based payment transactions.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

Paul Tonks BSc (Econ) FCA

Statutory Auditor:

Edwards

12 Related party transactions

Mr N Craft, director and shareholder, is also a director and shareholder of a number of related companies with which Shadow Foundr Limited ("SFL") have traded with during the year.

During the year SFL was charged £30,000 for consultancy services and £5,000 for rent by related companies. Included within trade creditors at 31 March 2023 is an amount of £1,000 (2022 - £Nil) owed to related companies.

In addition, during the year Mr N Craft charged the company rent amounting to £14,000 (2022 - £Nil). Included within other creditors at 31 March 2023 was an amount of £Nil (2022 - £1,250) due to the company's directors and included within other debtors at 31 March 2023 was an amount of £Nil (2022 - £15,000) due from the company's directors.

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.