

Company Registration No. 09496687 (England and Wales)

**SHADOW FOUNDR LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**  
**PAGES FOR FILING WITH REGISTRAR**

**SHADOW FOUNDR LTD**

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# SHADOW FOUNDR LTD

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	4	179,257		243,271	
Tangible assets	5	3,998		3,210	
			<u>183,255</u>		<u>246,481</u>
<b>Current assets</b>					
Debtors	6	60,995		88,117	
Cash at bank and in hand		441,147		47,455	
			<u>502,142</u>		<u>135,572</u>
<b>Creditors: amounts falling due within one year</b>	7	(115,586)		(104,648)	
<b>Net current assets</b>			<u>386,556</u>		<u>30,924</u>
<b>Total assets less current liabilities</b>			<u>569,811</u>		<u>277,405</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(399,534)		-	
<b>Net assets</b>			<u>170,277</u>		<u>277,405</u>
<b>Capital and reserves</b>					
Called up share capital	9	513		515	
Share premium account		1,611,132		1,611,132	
Equity reserve		117,500		-	
Other reserves		47,106		47,106	
Profit and loss reserves		(1,605,974)		(1,381,348)	
<b>Total equity</b>			<u>170,277</u>		<u>277,405</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 22 July 2021 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 2021**

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### **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. Forecasts have been produced covering a period of at least twelve months from the date that the financial statements are approved. The directors continue to closely monitor the company's liquidity and capital adequacy and at the time of approving the financial statements, the directors 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. Thus 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 2021

### 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 diminishing balance basis
Computers	25% on a diminishing 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 2021

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### 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 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.

#### 1.11 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.

#### 1.12 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.

# SHADOW FOUNDR LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **1.13 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.

#### **1.14 Retirement benefits**

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

#### **1.15 Share-based payments**

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.

#### **1.16 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.

# SHADOW FOUNDR LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 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:

	2021 Number	2020 Number
Total	6	6

### 4 Intangible fixed assets

	Software £	Development costs £	Total £
<b>Cost</b>			
At 1 April 2020	6,589	493,717	500,306
Additions	-	44,234	44,234
At 31 March 2021	6,589	537,951	544,540
<b>Amortisation and impairment</b>			
At 1 April 2020	3,295	253,740	257,035
Amortisation charged for the year	658	107,590	108,248
At 31 March 2021	3,953	361,330	365,283
<b>Carrying amount</b>			
At 31 March 2021	2,636	176,621	179,257
At 31 March 2020	3,294	239,977	243,271



# SHADOW FOUNDR LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	3,343	4,987	8,330
Additions	640	1,481	2,121
At 31 March 2021	3,983	6,468	10,451
<b>Depreciation and impairment</b>			
At 1 April 2020	2,074	3,046	5,120
Depreciation charged in the year	477	856	1,333
At 31 March 2021	2,551	3,902	6,453
<b>Carrying amount</b>			
At 31 March 2021	1,432	2,566	3,998
At 31 March 2020	1,269	1,941	3,210

### 6 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	34,566	32,141
Corporation tax recoverable	11,712	32,518
Other debtors	14,717	23,458
	60,995	88,117

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

	2021	2020
	£	£
Bank loans	6,312	-
Trade creditors	9,970	10,516
Taxation and social security	52,637	53,868
Other creditors	46,667	40,264
	115,586	104,648

During the year ended 31 March 2021, a bounce back loan of £50,000 was received by the company 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 2021

**8 Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Bank loans	43,688	-
Other creditors	355,846	-
	<u>399,534</u>	<u>-</u>

At 31 March 2021, included in other creditors was future fund convertible debt amounting to £355,846 (2020 - £Nil).

**9 Called up share capital**

	2021	2020
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
513,126 (2020: 514,539) Ordinary shares of 0.1p each	513	515
	<u>513</u>	<u>515</u>

During the year, the company corrected its issued and fully paid share capital such that there was a reduction of 1,390 ordinary shares.

# SHADOW FOUNDR LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 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. The total number of options granted prior to transition to FRS102 that were exercisable at 31 March 2020 were 23,749, they had an exercise price of £10 per share and a maturity date of 6 April 2020. The following information therefore only discloses information about share-based payment transactions granted on or after transition to FRS102:

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 April 2020	3,837	5,250	6.00	6.00
Exercised	(1,337)	(1,413)	6.00	6.00
Outstanding at 31 March 2021	<u>2,500</u>	<u>3,837</u>	<u>6.00</u>	<u>6.00</u>
Exercisable at 31 March 2021	<u>2,500</u>	<u>3,837</u>	<u>6.00</u>	<u>6.00</u>

The options outstanding at 31 March 2021 had an exercise price of £6.00 and a remaining contractual life of one year.

Inputs were as follows:

	2021	2020
Weighted average share price	18.00	18.00
Weighted average exercise price	6.00	6.00
Expected volatility	10.00	10.00
Expected life	2.30	1.30
Risk free rate	<u>0.95</u>	<u>0.95</u>

During the year, the company recognised a charge of £Nil (2020 - £30,993) which related to equity settled share based payment transactions.

### 11 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Total commitment	<u>-</u>	<u>22,407</u>

## **SHADOW FOUNDR LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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#### **12 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.

The senior statutory auditor was Paul Tonks BSc (Econ) FCA.

The auditor was Edwards.

## **SHADOW FOUNDR LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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#### **13 Related party transactions**

Any directors or senior employees who have authority and responsibility for controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £83,118 (2020 - £96,000).

Included in other creditors are amounts of £22,742 (2020 - £24,670) payable by the company to its 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.