

Company registration number 03467925 (England and Wales)

ELATERAL HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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ELATERAL HOLDINGS LIMITED

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ELATERAL HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	4		1,000		1,000
Current assets					
Debtors	6	1,709		1,479	
Creditors: amounts falling due within one year	7	<u>(1,952)</u>		<u>(1,937)</u>	
Net current liabilities			<u>(243)</u>		<u>(458)</u>
Net assets			<u>757</u>		<u>542</u>
Capital and reserves					
Called up share capital	8		6,895		6,895
Share premium account			14,964		14,964
Profit and loss reserves			<u>(21,102)</u>		<u>(21,317)</u>
Total equity			<u>757</u>		<u>542</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 C Lim
Director

Company Registration No. 03467925

ELATERAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2021	6,895	14,964	(21,572)	287
Year ended 31 March 2022:				
Profit and total comprehensive income for the year	-	-	255	255
Balance at 31 March 2022	6,895	14,964	(21,317)	542
Year ended 31 March 2023:				
Profit and total comprehensive income for the year	-	-	215	215
Balance at 31 March 2023	6,895	14,964	(21,102)	757

ELATERAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Elaterral Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Centaur House, Ancells Business Park, Ancells Road, Fleet, GU51 2UJ.

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 are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Elateral Group Limited. These consolidated financial statements are available from its registered office, Centaur House, Ancells Road, Fleet, England, GU15 2UJ.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Elaterral Holdings Limited is a wholly owned subsidiary of Elateral Group Limited and the results of Elateral Holdings Limited are included in the consolidated financial statements of Elateral Group Limited which are available from its registered office, Centaur House, Ancells Road, Fleet, England, GU15 2UJ.

1.2 Going concern

The Company is an intermediate holding company and has net assets and very limited ongoing commitments. The Company is dependent for its long-term finance on funds provided to it by Elateral Group Limited, its ultimate and immediate parent company. Elateral Group Limited has indicated that for at least twelve months from the date of approval of these financial statements, they will not seek repayment of the amounts currently due from the Company. The directors therefore continue to adopt the going concern basis when preparing the financial statements

ELATERAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.3 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.

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.

1.4 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. Bank overdrafts are shown within borrowings in current liabilities.

1.5 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 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.

1.6 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.

ELATERAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.7 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.

1.8 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	—	—

4 Fixed asset investments

	Notes	2023 £'000	2022 £'000
Investments in subsidiaries	5	1,000	1,000

5 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

ELATERAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Subsidiaries (Continued)

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Elateral Trustees Limited	1	Employee share ownership trust	Ordinary shares	100.00
Elateral Inc	2	Sales of marketing solutions	Ordinary shares	100.00
Elateral Limited	1	Software development and sales	Ordinary shares	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 Centaur House, Ancells Road, Fleet, England. GU51 2UJ
- 2 Suite 300, 1 Westbrook Corporate Center, Westchester, IL 60154, USA

6 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,697	1,467
Other debtors	12	12
	1,709	1,479
	1,709	1,479

No interest was charged on the intercompany loans during the year. There are no set repayment dates or restrictions imposed by this loan.

7 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	72	71
Amounts owed to group undertakings	1,767	1,767
Accruals and deferred income	113	99
	1,952	1,937
	1,952	1,937

No interest was charged on the intercompany loans during the year. There are no set repayment dates or restrictions imposed by this debt.

8 Share capital

	2023 Number	2022 Number	2023 £'000	2022 £'000
Ordinary share capital Issued and fully paid				
6,895,052,866 ordinary shares of £0.001 each	6,895,052,866	6,895,052,866	6,895	6,895
	6,895,052,866	6,895,052,866	6,895	6,895

ELATERAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 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:	Mr Brandis Savizon FCCA
ICAEW Registered Auditors:	Eacotts International Limited

10 Financial commitments, guarantees and contingent liabilities

The Group has a cross guarantee which includes Elateral Group Limited, Elateral Holdings Limited and Elateral Limited and secures commercial card and BACS facilities. The total balance in relation to this at 31 March 2023 was £16k (2022: £11k).

11 Related party transactions

Consultancy fees of £15k (2022: £15k) is payable to LMS Capital Plc for managing investor shareholdings in Elateral Group Limited. Unpaid fees (net of VAT) of £104k was owing LMS (2022: £89k). Unpaid fees of £44k (2022: £44k) was owing to Gresham House Asset Management Ltd, who previously managed investor shareholdings in Elateral Group Limited. No interest is accruing in these amounts and they are repayable upon investor exiting the business.

The amount incurred for chairman fees during the year was £50k (2022: £44k).

The amount incurred for non-executive director fees during the year was £2.5k (2022: £15k).

12 Ultimate controlling party

The company is a subsidiary undertaking of Elateral Group Limited, a company registered in England and Wales. Copies of the financial statements of Elateral Group Limited can be obtained from the company secretary at the registered office address, Centaur House, Ancells Road, Fleet, England, GU51 2UJ. 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.