

Elateral Holdings Limited

Annual report and financial statements

Registered number 03467925

31 March 2021

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Company information

Registered number	03467925
Directors	P Blackburn C Lim
Secretary	C Lim
Independent auditors	Grant Thornton UK LLP Southampton Science park Chilworth Southampton Hampshire SO16 7QJ
Banks	HSBC 9 Wellesley Road Croydon Surrey CR9 2AA
Registered office	Elateral House Crosby Way Farnham Surrey GU9 7XX

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Directors' report

Directors

The directors who held office during the year and up to the date of approval of these financial statements were as follows:

P Blackburn
C Lim

Proposed dividend

The directors do not recommend the payment of a dividend (2020: *£nil*).

Future developments

The Company is an intermediate holding company which is part of a group. Looking ahead, the Group continues to invest heavily in Brandgility. The Group believes that Brandgility will be the category leader for marketing content customisation at scale which will result in long term financial success.

Events since the Statement of financial position date

The directors have not identified any events since the balance sheet date.

Financial risk management objectives

Objective is to contain exposure to financial risks and preserve operating cashflows.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk arises as the Group operates in a competitive industry and therefore faces some price risk. The directors periodically assess market conditions and price accordingly.

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts.

Liquidity risk and cashflow risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The directors review cash balances on a periodic basis and forecast cash requirements throughout the year to ensure sufficient cash is available.

Political donations

The Company did not make any political donations nor incurred any political expenditure during this or the previous financial year.

Going concern

The Company is part of a wider Group. The Board has reviewed the Group's projections which cover the period up to 31 July 2022 and have stress-tested these under various assumptions. The directors have reasonable expectation that the Group will have adequate resources to continue operating for the foreseeable future. The impact of COVID-19 and the potential risks to the Group have been considered further below and accordingly, we continue to adopt the going concern basis in preparing the annual report and financial statements. In reaching this conclusion, the Board has taken note that one of the current main financial investors together with an incoming executive director and current chairman has bought out the other main financial investor, and commitments have been made to provide up to £500k of investment working capital for the Group.

Disclosure of information to the auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 30 July 2021, and has been prepared in accordance with the small companies regime of the Companies Act 2006.

By order of the Board

Chin Lim

C Lim
Director

Crosby Way
Farnham
Surrey
GU9 7XX
30 July 2021

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Chin Lim

C Lim
Director

Elateral House
Crosby Way
Farnham
Surrey
GU9 7XX
30 July 2021

Independent auditor's report to the members of Elateral Holdings Limited

Opinion

We have audited the financial statements of Elateral Holdings 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, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our 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 the company's loss 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.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we 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.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit: the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

the parent company financial statements are not in agreement with the accounting records and returns; or certain disclosures of directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement teams understanding of the legal and regulatory framework and which laws and regulations the engagement team identified as being significant in the context of the entity

The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, to understand these:

We enquired of management, and those charged with governance, concerning the Company's policies and procedures relating to:

- the identification, evaluation, and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected, or alleged fraud.

We corroborated the results of our enquires to relevant supporting documentation.

We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).

We communicated relevant 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.

The engagement team's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries, with a focus on material manual journals, including those with unusual account combinations
 - potential management bias in determining significant judgements and estimates, particularly in relation to the valuation assertion in assessing investments for any potential impairment
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - identifying unusual or high-risk journals to investigate and verify;
 - challenging assumptions and judgements made by management in its significant accounting estimates, including the potential impairments of investments
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The engagement partner's assessment of whether the engagement team collectively the appropriate competence and capabilities had to identify or recognise non-compliance with laws and regulations

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the entity operates; and
 - understanding of the legal and regulatory requirements specific to the entity.

Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team

- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

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

Grant Thornton UK LLP

Norman Armstrong
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
30/7/2021

Statement of comprehensive income
for the year ended 31 March 2021

	<i>Note</i>	2021 £'000	2020 £'000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(3,026)	(2,057)
		<hr/>	<hr/>
Operating loss		(3,026)	(2,057)
Interest payable and similar expenses		-	-
		<hr/>	<hr/>
Operating loss		(3,026)	(2,057)
Tax on loss	4	-	-
		<hr/>	<hr/>
Loss for the financial year		(3,026)	(2,057)
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income		-	-
Total comprehensive loss for the year		(3,026)	(2,057)
		<hr/> <hr/>	<hr/> <hr/>

The results for the current and preceding year all relate to continuing activities.

The accompanying notes on pages 12 to 18 form part of these financial statements.

Statement of financial position*At 31 March 2021*

	<i>Note</i>	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	5		1,000		3,100
Current assets					
Debtors	6	1,325		2,299	
Creditors: amounts falling due within one year	7	(2,038)		(2,086)	
Net current liabilities			(713)		213
Net assets			287		3,313
Capital and reserves					
Called up share capital	8		6,895		6,895
Share premium account	8		14,964		14,964
Profit and loss account	8		(21,572)		(18,546)
Shareholders' funds			287		3,313

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006. They were approved by the board of directors on 30 July 2021 and signed on its behalf by:

Chin Lim

C Lim
Director

The accompanying notes on pages 12 to 18 form part of these financial statements.

Registered number 03467925

Statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Profit & loss account £'000	Total equity £'000
Balance at 31 March 2020	6,895	14,964	(18,546)	3,313
Loss for the financial year	-	-	(3,026)	(3,026)
Total comprehensive loss for the year	-	-	(3,026)	(3,026)
Total contributions by and distributions to owners	-	-	-	-
Balance at 31 March 2021	6,895	14,964	(21,572)	287

The accompanying notes on pages 12 to 18 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2021

1 Accounting policies

Elateral Holdings Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03467925 and the registered address is Elateral House, Crosby Way, Farnham, Surrey GU9 7XX.

Elateral Holdings Limited is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 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 for parent company information presented within the consolidated financial statements:

- 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 each category of financial instrument; 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 33 'Related Party Disclosures': Compensation for key management personnel.

Going concern

The Company is an intermediate holding company and has net assets and very limited ongoing commitments. The Company is part of a wider group and its financial position is in part dependent on the financial position of the rest of the Elateral group (the 'Group').

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.

From March 2020 onwards, there has been significant disruption to the world economy due to Covid-19, this has had little impact on the Group's operational capability which has continued with teams working remotely. The Group has taken advantage of various government schemes including the UK furlough scheme for two employees, the US payment protection scheme resulting in cash inflows of £180k and a £50k inflow from the UK government Bounceback loan scheme.

The Group Board has prepared a business plan and forecast through to 31 July 2022. The directors performed a detailed assessment of the following risk factors - new licence sales, licence renewals and service revenues. Key assumptions made include the majority of licences renewing and that they continue to be mainly paid annually in advance. Forecast revenues, take into consideration that 86% of licence revenue to be generated from existing clients over the next 12 months, have already been contractually signed, and consider the majority of renewals probable given longstanding relationships and integrations with client systems. The forecast includes highly conservative estimates of new customer license revenues and other revenues.

Notes to the financial statements for the year ended 31 March 2021 (continued)

Going concern (continued)

The Group Directors have taken note that one of the current main financial investors together with an incoming executive director and current chairman has bought out the other main financial investor and obtained commitments from these parties to provide up to £500k of investment working capital for the Group. This financial support, along with the actions included within the business plan to align the cost base to the anticipated revenues result in positive cash position throughout the next 12 months.

The Group Board has reviewed the Group's projections which cover the period up to 31 July 2022 and have stress-tested these under various assumptions. The directors have reasonable expectation that the Group will have adequate resources to continue operating for the foreseeable future.

The directors therefore continue to adopt the going concern basis when preparing the financial statements.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of financial position date.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of financial position date. Exchange differences are included in the Statement of comprehensive income.

Investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

Notes to the financial statements for the year ended 31 March 2021 (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Pension costs

The Company's subsidiary operates a defined contribution pension scheme for directors. The assets of the scheme are held separately from those of the Company. The pension charge represents the amounts payable by the Company's subsidiary to the fund in respect of the period.

The directors of the Company are also directors of other group companies. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they received any remuneration for their incidental services to the Company for the years ended 31 March 2020 and 31 March 2019.

Accounting estimates and judgements

The preparation of the accounts required management to make certain estimates and judgements.

Covid-19

From March 2020 onwards, there has been significant disruption to the world economy due to Covid-19. As the situation around covid-19 is constantly evolving, in preparing our financial forecasts at Group level, we have used our best estimate of key assumptions and judgements underlying the forecasted results.

Impairment of investments

Management has reviewed factors for impairment in light of COVID-19, discount factors and future cash flows from contracts have been considered. Investment value in relation to subsidiary undertakings was impaired by £2.1m during the year, taking the total value of investments to £1.0m (2020: £3.1m).

Notes to the financial statements for the year ended 31 March 2021 (continued)**2 Auditor's remuneration**

	2021 £'000	2020 £'000
Audit of the financial statements	4	4
Total audit services	<u>4</u>	<u>4</u>
Tax compliance services	1	1
Total non-audit services	<u>1</u>	<u>1</u>

3 Directors' remuneration

The directors of the Company are also directors of other group companies. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they received any remuneration for their incidental services to the Company for the years ended 31 March 2021 and 31 March 2020.

4 Taxation on (loss)/profit on activities

There was no current or deferred tax for the year or the prior year.

Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

	2021 £'000	2020 £'000
<i>Current tax reconciliation</i>		
(Loss) on activities before tax	(3,026)	(2,057)
Current tax at 19% (2020: 19%)	(575)	(391)
<i>Effects of:</i>		
Current year losses for which no deferred tax asset was recognised	575	391
Total current tax credit (see above)	<u>-</u>	<u>-</u>

The unrecognised deferred tax asset in respect of UK trading losses and capital allowances versus depreciation was £171k (2020: £811k). No deferred tax asset is recognised in respect of these losses as there is insufficient evidence that they will be recovered.

Notes to the financial statements for the year ended 31 March 2021 (continued)**5 Investments**

	Shares in group companies £'000	Loan to group company £'000	Other £'000	Total £'000
Cost at 1 April 2020	1,201	1,859	40	3,100
Impairment	(241)	(1,859)	-	(2,100)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2021	960	-	40	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,201	1,859	40	3,100
	<hr/>	<hr/>	<hr/>	<hr/>

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights	Nature of business
Elateral Trustees Limited *	England	Ordinary shares	100%	Employee share ownership Trust
Elateral Inc **	USA	Ordinary shares	100%	Sales of marketing solutions
Elateral Limited *	England	Ordinary shares	100%	Software development and sales

All subsidiaries are directly owned by Elateral Holdings Limited.

The loan to group company is a permanent loan considered to be part of the original funding of the subsidiary.

The other investment is a loan to Elateral Trustees Limited.

All subsidiary results have been included in the consolidation of Elateral Group Limited.

* Registered address: Elateral House, Crosby Way, Farnham, Surrey, GU9 7XX

** Registered address: Suite 300, 1 Westbrook Corporate Center, Westchester, IL 60154

Notes to the financial statements for the year ended 31 March 2021 (continued)

6 Debtors

	2021 £'000	2020 £'000
Other debtors and prepayments	20	22
Amounts due from group undertakings	1,305	2,277
	<u>1,325</u>	<u>2,299</u>

No interest was charged on 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

	2021 £'000	2020 £'000
Trade creditors	103	113
Accruals and deferred income	168	195
Amount owed to group undertakings	1,767	1,178
	<u>2,038</u>	<u>2,086</u>

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

8 Capital and reserves

Allotted, called up and fully paid

	2021 £'000	2020 £'000
6,895,052,866 ordinary shares of £0.001 each (2020: £0.001)	6,895	6,895

The ordinary shares of £0.001 (2020: £0.001) carry one vote each. There are no restrictions on distribution.

Called up share capital

Called up share capital represents the nominal value of shares issued.

Share premium account

The balance in the share premium account represents the amount paid over the nominal value of the shares.

Profit and loss account

Cumulative profits, losses and total other comprehensive income.

Notes to the financial statements for the year ended 31 March 2021 (continued)

9 Related party transactions

Consultancy fees of £30k (2020: £30k) are payable to Albion Ventures Limited and LMS Capital Plc who manage the institutional investor shareholdings in Elateral Group Ltd. Unpaid fees (net of VAT) of £110,000 and £73,500 was owing to each party respectively (2020: £95,000 and £58,500). Unpaid fees of 43,500 (2020: £43,500) was owing to Gresham House Asset Management Ltd, who previously managed investor shareholdings in Elateral Group Ltd. 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 £46,000 (2020: £51,000)

The amount incurred for the non-executive director fees during the year was £11,000 (2020: £15,000)

10 Capital commitments

The Company had no capital commitments as at the 31 March 2021 or 31 March 2020.

11 Financial commitments

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 this at 31 March 2021 was £8,617 (2020: £8,249).

12 Events after the reporting period

The directors did not identify any post balance sheet events at the date of signing these financial statements.

13 Ultimate parent company and controlling parties

The Company is a subsidiary undertaking of Elateral Group Limited, a company registered in England and Wales. Copies of the Directors' report and financial statements of Elateral Group Limited can be obtained from the company secretary at the registered office address, Elateral House, Crosby Way, Farnham, Surrey, GU9 7XX. There is no ultimate controlling party.