

See note 14 page 41 for exemption

Registered number: 07127114

**360Globalnet Ltd**

**Annual report and consolidated financial statements**

**For the Year Ended 31 December 2022**



**360Globalnet Ltd**

**Company Information**

<b>Directors</b>	J Harding N P K Montgomery P A Stanley J A Rodilloso
<b>Company secretary</b>	Mrs J B Tyler
<b>Registered number</b>	07127114
<b>Registered office</b>	Bourne House 475 Godstone Road Whyteleafe Surrey CR3 0BL
<b>Independent auditors</b>	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Springfield House Springfield Road Horsham RH12 2RG

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**Group Strategic Report  
For the Year Ended 31 December 2022**

**Introduction**

360Globalnet Limited is the provider of market leading "No Code" technology focused particularly on the Insurance Sector. The opportunity addressed by this technology is the end-to-end digital management of insurance claims. This technology delivers benefits within commercial timeframes and allows clients to react appropriately to changing market conditions, automating tasks and orchestrating all claim participants. Advanced video and imagery capability enables better, faster and more informed claim settlement. Advanced analytics enables the conversion of unstructured data into readable file formats that can be used for combating and preventing fraud, claims profiling and trend and pattern tracking.

This technology is sold as a service, using a "pay as you go" or subscription business model when a client goes live. This follows an initial period of setup and implementation, which is separately charged for. This way the client avoids the burden of a substantial one-off licence fee with additional maintenance and development costs.

An increase in corporate appetite for remote and home working has helped promote the many efficiency and cost advantages gained by using a digital No-Code platform and contributed to a 16% increase in sales to £10.7 million (Last year: £9.2 million).

**Business review**

Operating in more competitive market conditions, Insurers recognise the benefits of digitisation and the flexibilities attached to a No-Code architecture. However, the barriers presented by complex long established internal structures and systems remain. Here the focus has been less on making changes driven by business necessity but more on what is possible within existing IT environments. But now, faced with greater regulation and a more demanding public, insurers are faced with the new imperative of reducing costs while at the same time improving customer experience.

360Globalnet Limited have been able to demonstrate significant cost savings in operations, claims cost, IT and fraud detection as well as demonstrating a significant increase in the Net Promoter Scores. These savings and benefits are available to clients working with and alongside existing legacy installations. The value within such installations is preserved. Resources can be channelled into considering the complexities of retaining and winning business rather than the complexities of inflexible internal structures. Digitisation and No Code are fast becoming a necessity. The market can no longer stand still.

**Financial key performance indicators**

360Globalnet Limited has developed a No Code platform with fraud detection functionality. It continues to broaden the scope of this platform. The overhead associated with this development is essentially fixed. The primary objective now is to sell the use of this platform in the form of recurring and re-occurring revenue to cover and exceed these costs. In 2021 sales were £9.2 million with a positive EBITDA of £0.3 million. In 2022 sales increased to £10.7 million with a positive EBITDA of £0.8 million.

**Principal risks and uncertainties**

360Globalnet Limited, despite being a supplier to significant providers within the insurance sector has yet to achieve critical mass. Certainly, the insurance sector is recognised to be a robust performer during times of financial uncertainty. However, the business is inevitably dependent on the skills of those within it. There is an implicit vulnerability if certain key staff members were to leave. However, the company has taken every precaution to guard against this eventuality by looking after our staff and our churn rate is low.

Further information on risks and risk management is set out in note 24.

**Group Strategic Report (continued)**  
**For the Year Ended 31 December 2022**

**Directors' statement of compliance with duty to promote the success of the Group**

The Board of Directors of 360Globalnet Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders in decisions made in the year to 31 December 2022. In addition, the Board of Directors has prepared a plan for 2023-2027 which it is committed to implement ("Plan").

Our Plan is designed to deliver clearly observable and measurable benefits for our clients within the insurance sector. We have a dedicated compliance officer and the service has ISO27001 certification. This business model limits the need for physical travel, substantially eliminates the need for a paper trail and allows policyholders to respond on a device of their choice at times convenient to them. The board view this strategy as innovative, market leading and of considerable value to shareholders in the medium to long term.


In addition to the commercial benefits, our Plan delivers to our clients and their associates, a positive footprint for the environment and as such contributes to their wider societal responsibilities.

Our employees provide an essential element to achieving our Plan. We endeavour to be a responsible employer in our approach to salaries and benefits. The health and safety of our employees is key to the way we conduct our business. We have a staff manual that clearly states how the business relates to its employees, supplemented by additional policy statements as appropriate.

As a Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible way, operating within the high standards of business conduct and good governance expected for a business such as ours. The intention is to nurture our reputation, through both the construction and implementation of our Plan in a way that reflects responsible behaviour.

As a Board of Directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, benefitting from the delivery of our Plan.

This report was approved by the board and signed on its behalf.



.....  
**P A Stanley**  
Director  
Date: 4 December 2023

## **360Globalnet Ltd**

### **Directors' Report For the Year Ended 31 December 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of 360Globalnet Ltd and its subsidiaries (the Group) is the provision of digital online platform technology specifically in relation to the insurance industry. This has also been extended to include the provision of claims handling and repair services.

#### **Directors**

The directors who served during the year were:

J Harding  
N P K Montgomery  
P A Stanley  
J A Rodillosso

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and 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 Group or 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 the Group and to prevent and detect fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £3,468,455 (2021 - loss £2,623,219). No dividends were paid in the year (2021 - £Nil).

**Directors' Report (continued)  
For the Year Ended 31 December 2022**

**Future developments**

The Group continues to take on new high-profile customers. Repair services have also grown significantly.

**Software development activities**

360Globalnet Ltd seek to advance the functionality of its technology to further secure competitive advantage. Alongside increasing functionality, 360Globalnet Ltd continually review its approach to security issues in general, as new threats emerge. Within the insurance sector, the incorporation of payments and reserving into the no code framework has been a major initiative. The integration of tools to analyse structured and unstructured data are now all part of the digital solution, detecting and reducing fraud and making better more informed decisions. There is no similar solution available in the market that fits the company's current application stack.

**Matters covered in the strategic report**

The Company and the Group are required to disclose an accurate reflection of the financial risk management objectives and policies in its Directors' Report. This has instead been included in the Strategic Report in line with the Companies Act 2006.

**Disclosure of information to auditors**

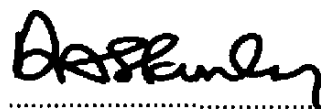
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor are aware of that information.

**Auditors**

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**P A Stanley**  
Director  
Date: 4 December 2023

**Independent Auditors' Report to the Members of 360Globalnet Ltd**

**Opinion**

We have audited the financial statements of 360Globalnet Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows, the Consolidated and Parent Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 19 - 27. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006; 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 auditors' responsibilities for the audit of the of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

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

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 Group's or the parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



**Independent Auditors' Report to the Members of 360Globalnet Ltd (continued)**

**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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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 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**

As explained more fully in the directors' responsibilities statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Members of 360Globalnet Ltd (continued)**

**Auditors' 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 auditors' 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 group financial statements.

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

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, employment law and compliance with GDPR. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as amortisation of intangibles and recoverability of debtors. Audit procedures performed by the group engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

## Independent Auditors' Report to the Members of 360Globalnet Ltd (continued)

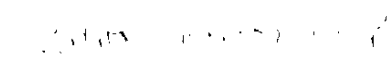
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's and the parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 Group and the parent 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 auditors' 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.

  
Graham Hunt BA FCA (Senior Statutory Auditor)

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Horsham

Date: 4 December 2023

**Consolidated Statement of Comprehensive Income  
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
<b>Revenue</b>	6	<b>10,678,221</b>	9,177,895
Cost of sales		<b>(4,910,928)</b>	(4,253,819)
<b>Gross profit</b>		<b>5,767,293</b>	4,924,076
Other operating income	8	-	45,176
Administrative expenses		<b>(7,510,566)</b>	(6,319,620)
<b>Loss from operations</b>		<b>(1,743,273)</b>	(1,350,368)
Finance income	10	<b>260,296</b>	214,697
Finance expense	10	<b>(1,986,145)</b>	(1,764,045)
<b>Loss before tax</b>		<b>(3,469,122)</b>	(2,899,716)
Tax credit	11	<b>667</b>	276,497
<b>Loss for the year</b>		<b>(3,468,455)</b>	(2,623,219)
<b>Other comprehensive income:</b>			
<b>Items that will or may be reclassified to profit or loss:</b>			
Exchange (losses)/gains arising on translation on foreign operations		<b>(238,875)</b>	13,278
		<b>(238,875)</b>	13,278
<b>Other comprehensive income for the year, net of tax</b>		<b>(238,875)</b>	13,278
<b>Total comprehensive income</b>		<b>(3,707,330)</b>	(2,609,941)

The notes on pages 18 to 52 form part of these financial statements.

**Consolidated Statement of Financial Position  
As at 31 December 2022**


	<b>Note</b>	<b>2022 £</b>	<b>As restated 2021 £</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>420,069</b>	680,110
Intangible assets	13	<b>6,841,252</b>	7,664,867
		<b>7,261,321</b>	8,344,977
<b>Current assets</b>			
Inventories	16	<b>6,452</b>	6,452
Trade and other receivables	17	<b>11,692,515</b>	10,698,813
Corporation tax repayable		-	276,497
Cash and cash equivalents	29	<b>426,958</b>	861,121
		<b>12,125,925</b>	11,842,883
<b>Total assets</b>		<b>19,387,246</b>	20,187,860
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19	<b>20,011,733</b>	18,277,911
Deferred tax liability	11	<b>16,280</b>	16,280
		<b>20,028,013</b>	18,294,191
<b>Current liabilities</b>			
Bank overdraft	29	<b>337</b>	337
Trade and other liabilities	18	<b>1,983,292</b>	1,248,005
Loans and borrowings	19	<b>1,532,920</b>	1,218,510
		<b>3,516,549</b>	2,466,852
<b>Total liabilities</b>		<b>23,544,562</b>	20,761,043
<b>Net liabilities</b>		<b>(4,157,316)</b>	(573,183)

360Globalnet Ltd  
Registered number: 07127114

**Consolidated Statement of Financial Position (continued)**  
**As at 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>As restated 2021 £</b>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	22	18,573	18,573
Share premium reserve		13,853,861	13,853,861
Capital redemption reserve		5,648	5,648
Foreign exchange reserve		(190,135)	48,740
Retained earnings		(17,845,263)	(14,500,005)
<b>TOTAL EQUITY</b>		<b>(4,157,316)</b>	<b>(573,183)</b>

The financial statements on pages 9 to 52 were approved and authorised for issue by the board of directors and were signed on its behalf by:



P A Stanley  
Director  
Date: 4 December 2023

The notes on pages 18 to 52 form part of these financial statements.

360Globalnet Ltd  
Registered number: 07127114

**Company Statement of Financial Position  
As at 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>As restated 2021 £</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>292,920</b>	593,984
Intangible assets	13	<b>6,291,765</b>	7,115,380
Investments in subsidiaries		<b>777,228</b>	777,228
		<b>7,361,913</b>	8,486,592
<b>Current assets</b>			
Inventories	16	<b>2,710</b>	2,710
Trade and other receivables	17	<b>10,962,658</b>	10,304,227
Corporation tax repayable		-	276,497
Cash and cash equivalents		<b>82,968</b>	205,461
		<b>11,048,336</b>	10,788,895
<b>Total assets</b>		<b>18,410,249</b>	19,275,487
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19	<b>19,998,092</b>	18,263,596
		<b>19,998,092</b>	18,263,596
<b>Current liabilities</b>			
Trade and other liabilities	18	<b>2,673,110</b>	1,451,323
Loans and borrowings	19	<b>1,516,420</b>	1,203,815
		<b>4,189,530</b>	2,655,138
<b>Total liabilities</b>		<b>24,187,622</b>	20,918,734
<b>Net liabilities</b>		<b>(5,777,373)</b>	(1,643,247)

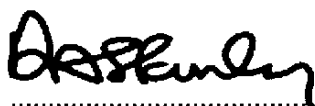
**360Globalnet Ltd**  
**Registered number: 07127114**

**Company Statement of Financial Position (continued)**  
**As at 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>As restated 2021 £</b>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	22	<b>18,573</b>	18,573
Share premium reserve		<b>13,853,861</b>	13,853,861
Capital redemption reserve		<b>5,648</b>	5,648
Retained earnings		<b>(19,655,455)</b>	(15,521,329)
<b>TOTAL EQUITY</b>		<b><u>(5,777,373)</u></b>	<b><u>(1,643,247)</u></b>

The Company's loss for the year was £4,257,323 (2021 - £3,180,708).

The financial statements on pages 9 to 52 were approved and authorised for issue by the board of directors and were signed on its behalf by:



**P A Stanley**  
Director  
Date: 4 December 2023

The notes on pages 18 to 52 form part of these financial statements.



**Consolidated Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	Share capital £	Share premium £	Capital redemption reserve £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
<b>At 1 January 2021</b>	18,573	13,853,861	5,648	35,462	(11,976,702)	1,936,842	1,936,842
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(2,623,219)	(2,623,219)	(2,623,219)
Other comprehensive income	-	-	-	13,278	-	13,278	13,278
<b>Total comprehensive income for the year</b>	-	-	-	13,278	(2,623,219)	(2,609,941)	(2,609,941)
Share based payments	-	-	-	-	99,916	99,916	99,916
<b>Total contributions by and distributions to owners</b>	-	-	-	-	99,916	99,916	99,916
<b>At 31 December 2021</b>	<b>18,573</b>	<b>13,853,861</b>	<b>5,648</b>	<b>48,740</b>	<b>(14,500,005)</b>	<b>(573,183)</b>	<b>(573,183)</b>
<b>At 1 January 2022</b>	18,573	13,853,861	5,648	48,740	(14,500,005)	(573,183)	(573,183)
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(3,468,455)	(3,468,455)	(3,468,455)
Other comprehensive income	-	-	-	(238,875)	-	(238,875)	(238,875)
<b>Total comprehensive income for the year</b>	-	-	-	(238,875)	(3,468,455)	(3,707,330)	(3,707,330)
Share based payments	-	-	-	-	123,197	123,197	123,197
<b>Total contributions by and distributions to owners</b>	-	-	-	-	123,197	123,197	123,197
<b>At 31 December 2022</b>	<b>18,573</b>	<b>13,853,861</b>	<b>5,648</b>	<b>(190,135)</b>	<b>(17,845,263)</b>	<b>(4,157,316)</b>	<b>(4,157,316)</b>

The notes on pages 18 to 52 form part of these financial statements.

**Company Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>At 1 January 2021</b>	18,573	13,853,861	5,648	(12,440,537)	1,437,545
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(3,180,708)	(3,180,708)
<b>Total comprehensive income for the year</b>	-	-	-	(3,180,708)	(3,180,708)
Share based payments	-	-	-	99,916	99,916
<b>Total contributions by and distributions to owners</b>	-	-	-	99,916	99,916
<b>At 31 December 2021</b>	<b>18,573</b>	<b>13,853,861</b>	<b>5,648</b>	<b>(15,521,329)</b>	<b>(1,643,247)</b>
<b>At 1 January 2022</b>	18,573	13,853,861	5,648	(15,521,329)	(1,643,247)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(4,257,323)	(4,257,323)
<b>Total comprehensive income for the year</b>	-	-	-	(4,257,323)	(4,257,323)
Share based payments	-	-	-	123,197	123,197
<b>Total contributions by and distributions to owners</b>	-	-	-	123,197	123,197
<b>At 31 December 2022</b>	<b>18,573</b>	<b>13,853,861</b>	<b>5,648</b>	<b>(19,655,455)</b>	<b>(5,777,373)</b>

The notes on pages 18 to 52 form part of these financial statements.

**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Loss for the year		(3,468,455)	(2,623,219)
<b>Adjustments for</b>			
Depreciation of property, plant and equipment and amortisation of intangibles	12, 13	2,592,523	1,644,887
Finance income	10	(260,296)	(214,697)
Finance expense	10	1,986,145	1,764,045
Loss on sale of property, plant and equipment		24	-
Net loss on disposal of available-for-sale financial assets		-	100,000
Share-based payment expense	26	123,197	99,916
Income tax expense	11	(667)	(276,497)
		<u>972,471</u>	<u>494,435</u>
<b>Movements in working capital:</b>			
Increase in trade and other receivables		(993,702)	(456,774)
Increase in trade and other payables		735,287	224,409
<b>Cash generated from operations</b>		<u>714,056</u>	<u>262,070</u>
Income taxes received		277,164	310,424
<b>Net cash from operating activities</b>		<u>991,220</u>	<u>572,494</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(86,925)	(60,238)
Purchase of intangibles	13	(1,380,231)	(1,428,111)
Interest received		260,296	214,697
<b>Net cash used in investing activities</b>		<u>(1,206,860)</u>	<u>(1,273,652)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		434,698	-
Payments of finance lease creditors		(320,332)	(322,770)
Interest paid		(94,014)	(52,124)
Foreign exchange (losses)/gains		(238,875)	13,278
<b>Net cash used in financing activities</b>		<u>(218,523)</u>	<u>(361,616)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(434,163)</u>	<u>(1,062,774)</u>
Cash and cash equivalents at the beginning of year		860,784	1,923,558
<b>Cash and cash equivalents at the end of the year</b>	29	<u>426,621</u>	<u>860,784</u>

The notes on pages 18 to 52 form part of these financial statements.

**Company Statement of Cash Flows**  
**For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Loss for the year		(4,257,323)	(3,180,708)
<b>Adjustments for</b>			
Depreciation of property, plant and equipment and amortisation of intangibles	12, 13	2,532,927	1,603,231
Finance income	10	(249,480)	(215,584)
Finance expense	10	1,980,249	1,749,677
Loss on sale of property, plant and equipment		24	-
Net loss on disposal of available-for-sale financial assets		-	100,000
Share-based payment expense	26	123,197	99,916
Income tax expense	11	(667)	(276,497)
		<u>128,927</u>	<u>(119,965)</u>
<b>Movements in working capital:</b>			
Increase in trade and other receivables		(658,431)	(365,129)
Increase in trade and other payables		1,221,787	509,382
<b>Cash generated from operations</b>		<u>692,283</u>	<u>24,288</u>
Income taxes received		277,164	310,424
<b>Net cash from operating activities</b>		<u>969,447</u>	<u>334,712</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(9,001)	(18,284)
Purchase of intangibles	13	(1,380,231)	(1,428,111)
Interest received		249,480	215,584
<b>Net cash used in investing activities</b>		<u>(1,139,752)</u>	<u>(1,230,811)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		434,698	-
Payments of finance lease creditors		(298,768)	(298,360)
Interest paid		(88,118)	(37,847)
<b>Net cash from/(used in) financing activities</b>		<u>47,812</u>	<u>(336,207)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(122,493)</u>	<u>(1,232,306)</u>
Cash and cash equivalents at the beginning of year		205,461	1,437,767
<b>Cash and cash equivalents at the end of the year</b>	29	<u>82,968</u>	<u>205,461</u>

The notes on pages 18 to 52 form part of these financial statements.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**1. Reporting entity**

360Globalnet Ltd (the 'Company') is a limited company incorporated in England and Wales. The Company's registered office is at Bourne House, 475 Godstone Road, Whyteleafe, Surrey, CR3 0BL. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in the provision of online platform technology specifically in relation to the insurance industry and the provision of claims handling and repair services.

**2. Basis of preparation**

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They have been presented in accordance with IAS 1 - Presentation of financial statements.

Details of the Group's accounting policies, including changes during the year, are included in note 3.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements. The Company loss for the year is stated in the Company Statement of Changes in Equity.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

**2.1 Basis of measurement**

The financial statements have been prepared on the historical cost basis.

**2.2 Changes in accounting policies**

**i) New standards, interpretations and amendments effective from 1 January 2022**

**Amendments to IAS 37 - Onerous Contracts**

The Company and Group continue to have no onerous contracts to recognise as a result of the amendments.

**Amendments to IAS 16 - Property, Plant and Equipment**

The amendments had no impact on the year end accounts as the Company and Group have not sold items produced while bringing assets into operation.

**Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 - Annual Improvements**

The amendments had no impact on the year end accounts of the Company and Group.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**2. Basis of preparation (continued)**

**2.2 Changes in accounting policies (continued)**

**i) New standards, interpretations and amendments effective from 1 January 2022 (continued)**

**Amendments to IFRS 3 - References to Conceptual Framework**

The amendments had no impact on the year end accounts of the Company and Group as there have been no business combinations during the period.

**ii) New standards, interpretations and amendments not yet effective**

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, are not expected to have a material impact on the Group's and the Company's future financial statements:

- IFRS 17 Insurance Contracts; effective 1 January 2023
- Amendments to IAS 1 Classification of liabilities as current or non current; effective 1 January 2024
- Amendments to IAS 1 Non current liabilities with covenants; effective 1 January 2024
- Amendments to IAS 8 Definition of accounting estimates; effective 1 January 2023
- Amendments to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction; effective 1 January 2023
- Amendments to IFRS 16 Lease liability in a Sale and Leaseback; effective 1 January 2024.

The directors anticipate that all new standards, interpretations and amendments will be adopted for the first period beginning on or after the effective date.

**3. Accounting policies**

**3.1 Going concern**

The Group has made a loss for the year of £3,468,455 and has net liabilities as at 31 December 2022 of £4,157,316.

The Company is in discussions with potential investors in order to raise additional funds to enable the Group to realise the next phase of its growth plan. Since the year end additional funding has been secured. The Company has also negotiated an extension of the long term loan outstanding so that repayment is now not due until 2025.

The Directors have prepared cash flow forecasts and projections for the Group covering the period of at least 12 months from the date of approval of these financial statements. Based upon these projections, and the continuing support of the Group's shareholders and investors, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their *accounting policies into line with the Group's accounting policies*.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**3.3 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

**3.4 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.3) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.5 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue arises mainly from contracts for the provision of software, the handling of insurance claims and through carrying out repair work.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identify the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Where a sale may involve a range of the Group's products and services, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these as deferred income within liabilities in the statement of financial position (see Note 18). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either accrued income or a trade receivable in its statement of financial position, depending upon whether it has been invoiced or not as at the year end.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.



**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.6 Leasing**

**The Group as a lessee**

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is included in the 'Loans and borrowings' lines in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

The right-of-use assets are included in 'Property, Plant and Equipment' in the Consolidated Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.12.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.7 Foreign currency**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

**3.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3.9 Employee benefits**

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.10 Share-based payments**

**Share-based payment transactions of the Company**

The Group operates unapproved equity-settled share-based remuneration plans for its employees and certain of its former employees. None of the Group's plans are cash-settled.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 25.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to retained earnings. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal value of the shares issued with any excess being recorded as share premium.

**3.11 Taxation**

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

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**3.12 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Short-term leasehold property	Over the term of the lease
Motor vehicles	33% straight line or over the term of the lease if leased
Fixtures and fittings	15% and 33% straight line
Computer equipment and plant and machinery	10%, 15%, 25% and 33% straight line and 15%, 20% and 33% reducing balance

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.13 Intangible assets**

**(i) Internally-generated intangible assets**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(ii) Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(iii) Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful life as follows:

Development expenditure and intellectual property post 2016 - In line with the expected pattern of benefits over a 5 year period, with no amortisation being charged until the Group begins to earn revenue from the developed software.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.14 Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**3.15 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**3.16 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**3.17 Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, and bank overdrafts.

**3.18 Investments**

Investments in securities are classified in initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised within income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investments in subsidiaries are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**3. Accounting policies (continued)**

**3.19 Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3.20 Defined contribution schemes**

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

**4. Functional and presentation currency**

These consolidated financial statements are presented in pounds sterling, which is the Group's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

**5. Accounting estimates and judgments**

**5.1 Judgments and estimates**

The Group makes estimates and assumptions concerning the future. Management are also required to exercise judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are set out below.

**Internally generated software development expenditure and intellectual property**

Due to the nature of the projects, distinguishing between the research and development phases of new customised software development projects requires the judgment of management. Once the directors consider that the expenditure meets the recognition criteria for its capitalisation as an intangible fixed asset, an assessment is made of its useful economic life and the expected pattern of revenue generation from its use. Similarly, for intellectual property, an assessment is made of its useful economic life and the expected pattern of revenue generation from its use. Impairment reviews are undertaken whenever events or changes in circumstances indicate that their carrying values may not be recoverable.

Having made appropriate assessments, the directors consider that internally generated software development expenditure and intellectual property with net book values of £6,296,136 and £15,000 respectively can be carried in the consolidated statement of financial position as at 31 December 2022.

**Recoverability of amounts owed by related companies**

Included within trade and other receivables is an amount of £8,831,156 (2021: £8,612,188) which is due from 360Shareholders Limited, a shareholder in the company. While there are no fixed repayment terms attached to the amount owed, notwithstanding the disclosure below about 360Shareholders Limited's ability to repay the balance, the debt has therefore been included as a current asset due within one year.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**5. Accounting estimates and judgments (continued)**

**5.1 Judgments and estimates (continued)**

360Shareholders Limited currently does not receive any income and as at 31 December 2022 it has a deficit on its balance sheet of £3,968,882. In the opinion of the Directors no provision has been made against this debt as they consider that the debt will be recoverable in full from either the future payment of dividends by 360Globalnet Ltd or from the proceeds of any possible future sale by 360Shareholders Limited of its shares in 360Globalnet Ltd.

**Fair value of share options granted**

A determination has been made as to the most appropriate valuation model to estimate the fair value for the share based payment transactions, with reference to the terms and conditions of the grant. Inputs into the valuation model require estimates as to the share price at the date of grant, the expected life of the share option, share price volatility and dividend yield, with assumptions being made for each of these. For the measurement of the fair value equity settled transactions, the Group uses a Black-Scholes model. The figures and further details are disclosed in note 26.

**6. Revenue**

The following is an analysis of the Group's revenue for the year from continuing operations:

	<b>2022</b> £	2021 £
Sale of goods	<b>4,663,995</b>	4,383,651
Fees receivable	<b>6,014,226</b>	4,794,244
	<b><u>10,678,221</u></b>	<u>9,177,895</u>

Analysis of revenue by country of destination:

	<b>2022</b> £	2021 £
United Kingdom	<b>9,206,618</b>	8,662,068
Rest of Europe	-	15,704
Rest of the world	<b>1,471,603</b>	500,123
	<b><u>10,678,221</u></b>	<u>9,177,895</u>

Timing of revenue recognition:

	<b>2022</b> £	2021 £
Goods and services transferred at a point in time	<b>7,069,647</b>	6,244,613
Goods and services transferred over time	<b>3,608,574</b>	2,933,282
	<b><u>10,678,221</u></b>	<u>9,177,895</u>

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**7. Operating loss**

Arrived at after charging:

	2022 £	2021 £
Depreciation	388,677	382,948
Amortisation	2,203,846	1,261,939
Difference on foreign exchange	(210,039)	46,543
Loss on sale of tangible assets	24	-
Share based payment	123,197	99,916
Impairment of non-current investments	-	100,000
Auditor's remuneration - audit fees	31,000	26,000
Auditor's remuneration - other fees	33,450	29,620
	<u>          </u>	<u>          </u>

**8. Other operating income**

	2022 £	2021 £
Government grants receivable	-	45,157
Foreign exchange difference gain	-	19
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**9. Employee benefit expenses**

**Group**

	2022 £	2021 £
<b>Employee benefit expenses (including directors) comprise:</b>		
Wages and salaries	5,180,506	4,956,531
National insurance	531,564	495,925
Defined contribution pension cost	356,245	355,105
Private health expense	237,612	222,743
<b>Total wage costs for the year</b>	<u>6,305,927</u>	<u>6,030,304</u>
Wages costs capitalised as development costs	(1,281,686)	(1,326,404)
<b>Wage costs expensed in the year</b>	<u>5,024,241</u>	<u>4,703,900</u>



**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**9. Employee benefit expenses (continued)**

**Directors' remuneration**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Remuneration	<b>511,095</b>	426,580
Defined contribution pension cost	<b>50,281</b>	59,417
<b>Total directors' remuneration for the year</b>	<b>561,376</b>	485,997
Wages costs capitalised as development costs	<b>(56,164)</b>	(44,680)
<b>Directors' remuneration expensed in the year</b>	<b>505,212</b>	441,317

The highest paid director received remuneration of £168,328 (2021 - £115,000).

The highest paid director received employer's pension contributions of £11,833 (2021 - £11,500).

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	<b>2022</b>	2021
	<b>No.</b>	<b>No.</b>
Development and tech support	<b>33</b>	42
Claims handlers	<b>32</b>	22
Drainage support	<b>12</b>	10
Sales and administrative	<b>18</b>	18
Directors	<b>4</b>	4
	<b>99</b>	96

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**Company**

	<b>2022</b> £	2021 £
<b>Employee benefit expenses (including directors) comprise:</b>		
Wages and salaries	<b>2,922,616</b>	2,676,428
National insurance	<b>337,842</b>	298,813
Defined contribution pension cost	<b>220,625</b>	220,218
Private health expense	<b>237,587</b>	222,743
<b>Total wage costs for the year</b>	<b>3,718,670</b>	3,418,202
Wages costs capitalised as development costs	<b>(1,281,686)</b>	(1,257,515)
<b>Wage costs expensed in the year</b>	<b>2,436,984</b>	2,160,687

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	<b>2022</b> No.	2021 No.
Development and tech support	<b>24</b>	30
Sales and administrative	<b>18</b>	10
Directors	<b>4</b>	4
	<b>46</b>	44

**10. Finance income and expense**

**Recognised in profit or loss**

	<b>2022</b> £	2021 £
<b>Finance income</b>		
Interest on:		
- Bank deposits	-	39
<b>Total bank interest income</b>	-	39
Other interest receivable	<b>260,296</b>	214,658
<b>Total finance income</b>	<b>260,296</b>	214,697
<b>Finance expense</b>		
Right of use asset and finance lease interest	<b>32,147</b>	28,488
Other loan interest payable	<b>1,953,998</b>	1,735,557
<b>Total finance expense</b>	<b>1,986,145</b>	1,764,045
<b>Net finance expense recognised in profit or loss</b>	<b>(1,725,849)</b>	(1,549,348)

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**11. Tax expense**

**11.1 Income tax recognised in profit or loss**

	2022 £	2021 £
<b>Current tax</b>		
Current tax on profits for the year	-	(276,497)
Adjustments in respect of prior years	(667)	-
<b>Total current tax</b>	(667)	(276,497)
	(667)	(276,497)
 Total tax credit	(667)	(276,497)
	(667)	(276,497)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2022 £	2021 £
Loss for the year	(3,468,455)	(2,623,219)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	(667)	(276,497)
<b>Loss before income taxes</b>	(3,469,122)	(2,899,716)
Tax using the Company's domestic tax rate of 19% (2021:19%)	(659,133)	(550,946)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	126	(319)
Capital allowances for the year in excess of depreciation	417,613	236,526
Adjustments to tax charge in respect of prior periods	(667)	-
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	-	(118,973)
Unrelieved loss on foreign subsidiaries	52,982	101,464
Other differences leading to an increase/(decrease) in the tax charge	188,412	55,751
<b>Total tax expense</b>	(667)	(276,497)

**Changes in tax rates and factors affecting the future tax charges**

At the reporting date, deferred tax assets of £2,984,525 (2021 - £2,337,461) have not been provided for in respect of tax losses being carried forward of £11,938,098 (2021 - £9,349,845). The movement in the unrecognised asset value is due to a change in corporation tax rate. These tax losses can be used to offset any future profits made.

Legislative changes in the UK have been enacted which restrict the utilisation of losses brought forward as of 1 April 2017 by 50%. The extent of UK taxable profits utilised in subsequent years may be subject to variability, impacting the Group's tax charge.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**11. Tax expense (continued)**

**11.1 Income tax recognised in profit or loss (continued)**

Future tax charges will be affected by the availability of Group relief. This allows for the offsetting of losses in one Group Company to be offset against the profits in another Group Company.

From 1 April 2023, there will no longer be a single corporation tax rate. A small profits rate of 19% will be available where taxable profits are £50,000 or less. Profits between £50,000 and £250,000 will be taxed at the main rate of 25%, reduced by a marginal relief. Profits over £250,000 will be taxed at 25%. These thresholds for the small profits rate and main rate are shared by companies under common control.

**11.2 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2022 £	2021 £
Deferred tax liabilities	(16,280)	(16,280)
	<u>(16,280)</u>	<u>(16,280)</u>

**12. Property, plant and equipment**

**Group**

	Short-term leasehold property £	Computer equipment and plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	254,945	1,735,663	195,002	23,192	2,208,802
Additions	379,090	56,644	130,296	3,594	569,624
Disposals	(254,945)	(3,199)	(94,585)	-	(352,729)
<b>At 31 December 2021</b>	<u>379,090</u>	<u>1,789,108</u>	<u>230,713</u>	<u>26,786</u>	<u>2,425,697</u>
Additions	-	83,999	41,735	2,926	128,660
Disposals	-	-	(38,579)	(219)	(38,798)
<b>At 31 December 2022</b>	<u><u>379,090</u></u>	<u><u>1,873,107</u></u>	<u><u>233,869</u></u>	<u><u>29,493</u></u>	<u><u>2,515,559</u></u>

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**12. Property, plant and equipment (continued)**

	<b>Short-term leasehold property £</b>	<b>Computer equipment and plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2021	209,633	1,372,388	117,240	16,107	1,715,368
Charge owned for the year	-	85,007	-	5,089	90,096
Charged financed for the year	135,107	91,000	66,745	-	292,852
Disposals	(254,945)	(3,199)	(94,585)	-	(352,729)
<b>At 31 December 2021</b>	<b>89,795</b>	<b>1,545,196</b>	<b>89,400</b>	<b>21,196</b>	<b>1,745,587</b>
Charge owned for the year	-	80,089	-	3,818	83,907
Charged financed for the year	139,953	91,000	73,817	-	304,770
Disposals	-	-	(38,579)	(195)	(38,774)
<b>At 31 December 2022</b>	<b>229,748</b>	<b>1,716,285</b>	<b>124,638</b>	<b>24,819</b>	<b>2,095,490</b>
<b>Net book value</b>					
At 1 January 2021	45,312	363,275	77,762	7,085	493,434
At 31 December 2021	289,295	243,912	141,313	5,590	680,110
At 31 December 2022	149,342	156,822	109,231	4,674	420,069

**12.1. Split of assets owned and held under leases**

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated Statement of Financial Position is as follows:

	<b>2022 £</b>	<b>2021 £</b>
Property, plant and equipment owned	<b>115,996</b>	113,001
Right-of-use assets	<b>304,073</b>	567,109
	<b>420,069</b>	680,110

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**12. Property, plant and equipment (continued)**

**12.1 Split of assets owned and held under leases (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	2022 £	2021 £
Short-term leasehold property	149,342	289,295
Motor vehicles	109,231	141,314
Computer equipment	45,500	136,500
	<u>304,073</u>	<u>567,109</u>

**Depreciation charge for the year ended 31 December:**

	2022 £	2021 £
Short-term leasehold property	139,953	135,107
Motor vehicles	73,817	66,745
Computer equipment	91,000	91,000
	<u>304,770</u>	<u>292,852</u>

**12.2 Assets pledged as security**

The Group's total property, plant and equipment with a carrying value of £420,069 (2021 - £680,110) has been pledged as security for borrowings.

**Company**

	Short-term leasehold property £	Computer equipment and plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	254,945	1,500,204	141,410	19,698	1,916,257
Additions	379,090	16,126	86,884	2,158	484,258
Disposals	(254,945)	(3,199)	(61,815)	-	(319,959)
<b>At 31 December 2021</b>	<u>379,090</u>	<u>1,513,131</u>	<u>166,479</u>	<u>21,856</u>	<u>2,080,556</u>
Additions	-	6,075	19,040	2,926	28,041
Disposals	-	-	(38,579)	(219)	(38,798)
<b>At 31 December 2022</b>	<u>379,090</u>	<u>1,519,206</u>	<u>146,940</u>	<u>24,563</u>	<u>2,069,799</u>

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**12. Property, plant and equipment (continued)**

	<b>Short-term leasehold property £</b>	<b>Computer equipment and plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2021	209,633	1,168,095	73,298	14,213	1,465,239
Charge owned for the year	-	63,885	-	4,008	67,893
Charged financed for the year	135,107	91,000	47,292	-	273,399
Disposals	(254,945)	(3,199)	(61,815)	-	(319,959)
<b>At 31 December 2021</b>	<b>89,795</b>	<b>1,319,781</b>	<b>58,775</b>	<b>18,221</b>	<b>1,486,572</b>
Charge owned for the year	-	42,260	-	2,826	45,086
Charged financed for the year	139,953	91,000	53,042	-	283,995
Disposals	-	-	(38,579)	(195)	(38,774)
<b>At 31 December 2022</b>	<b>229,748</b>	<b>1,453,041</b>	<b>73,238</b>	<b>20,852</b>	<b>1,776,879</b>
<b>Net book value</b>					
At 1 January 2021	45,312	332,109	68,112	5,485	451,018
At 31 December 2021	289,295	193,350	107,704	3,635	593,984
At 31 December 2022	149,342	66,165	73,702	3,711	292,920

**12.3. Split of assets owned and held under leases**

The net book value of owned and leased assets included as "Property, plant and equipment" in the Company Statement of Financial Position is as follows:

	<b>2022 £</b>	<b>2021 £</b>
Property, plant and equipment owned	<b>24,376</b>	60,485
Right-of-use assets	<b>268,544</b>	533,499
	<b>292,920</b>	593,984

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**12. Property, plant and equipment (continued)**

**12.3 Split of assets owned and held under leases (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2022</b>	2021
	<b>£</b>	£
Short-term leasehold property	<b>149,342</b>	289,295
Motor vehicles	<b>73,702</b>	107,704
Computer equipment	<b>45,500</b>	136,500
	<b>268,544</b>	533,499

**Depreciation charge for the year ended 31 December:**

	<b>2022</b>	2021
	<b>£</b>	£
Short-term leasehold property	<b>139,953</b>	135,107
Motor vehicles	<b>53,042</b>	47,292
Computer equipment	<b>91,000</b>	91,000
	<b>283,995</b>	273,399

**12.4 Assets pledged as security**

The Company's total property, plant and equipment with a carrying value of £292,920 (2021 - £593,984) has been pledged as security for borrowings.



**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**13. Intangible assets**

**Group**

	<b>Goodwill £</b>	<b>Internally generated software development expenditure £</b>	<b>Intellectual property £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2021	788,896	9,421,075	1,500,000	11,709,971
Additions - internal	-	1,428,111	-	1,428,111
<b>At 31 December 2021</b>	<b>788,896</b>	<b>10,849,186</b>	<b>1,500,000</b>	<b>13,138,082</b>
Additions - internal	-	1,380,231	-	1,380,231
<b>At 31 December 2022</b>	<b>788,896</b>	<b>12,229,417</b>	<b>1,500,000</b>	<b>14,518,313</b>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2021	258,780	3,590,748	361,748	4,211,276
Charge for the year - owned	-	905,216	356,723	1,261,939
<b>At 31 December 2021</b>	<b>258,780</b>	<b>4,495,964</b>	<b>718,471</b>	<b>5,473,215</b>
Charge for the year - owned	-	1,437,317	766,529	2,203,846
<b>At 31 December 2022</b>	<b>258,780</b>	<b>5,933,281</b>	<b>1,485,000</b>	<b>7,677,061</b>
<b>Net book value</b>				
At 1 January 2021	530,116	5,830,327	1,138,252	7,498,695
At 31 December 2021	530,116	6,353,222	781,529	7,664,867
At 31 December 2022	530,116	6,296,136	15,000	6,841,252

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**13. Intangible assets (continued)**

**Company**

	<b>Internally generated software development expenditure £</b>	<b>Intellectual property £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2021	8,519,373	1,485,000	10,004,373
Additions - internal	1,428,111	-	1,428,111
<b>At 31 December 2021</b>	<b>9,947,484</b>	<b>1,485,000</b>	<b>11,432,484</b>
Additions - internal	1,380,231	-	1,380,231
<b>At 31 December 2022</b>	<b>11,327,715</b>	<b>1,485,000</b>	<b>12,812,715</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2021	2,693,417	361,748	3,055,165
Charge for the year - owned	905,216	356,723	1,261,939
<b>At 31 December 2021</b>	<b>3,598,633</b>	<b>718,471</b>	<b>4,317,104</b>
Charge for the year - owned	1,437,317	766,529	2,203,846
<b>At 31 December 2022</b>	<b>5,035,950</b>	<b>1,485,000</b>	<b>6,520,950</b>
<b>Net book value</b>			
At 1 January 2021	5,825,956	1,123,252	6,949,208
At 31 December 2021	6,348,851	766,529	7,115,380
At 31 December 2022	6,291,765	-	6,291,765

**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2022**

**14. Subsidiaries**

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group (%)	
			2022	2021
1) 360Intellimation Ltd	Company data management	United Kingdom	100	100
2) 360Siteview Ltd	The use of live video streaming technology	United Kingdom	100	100
3) 360Corporate Ltd	Specialist consultancy services	United Kingdom	100	100
4) 360Spatial Ltd	Geographic information systems and mappings	United Kingdom	100	100
5) 360Capital Ltd	Facilitating asset leasing	United Kingdom	100	100
6) 360Claimservices Ltd	Claim handling service	United Kingdom	100	100
7) Withyouin5.com Ltd	Crowd sourcing	United Kingdom	100	100
8) Infocap Technologies Ltd	Information capture and retrieval technologies	United Kingdom	100	100
9) Retrieval Technologies Ltd	Intermediate holding company	United Kingdom	100	100
10) The Drainage Repair Company Limited	The investigation and repair of leaking drains	United Kingdom	100	100
11) Parkslide Pty Ltd	Provision of development software and expertise	Australia	100	100
12) 360Globalnet Inc	Technical and sales support in America to help facilitate the promotion of 360 group products	United States of America	100	100
13) 360Globalnet Pty Ltd	Technical and sales support in Australia to help facilitate the promotion of 360 group products	Australia	100	100

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**14. Subsidiaries (continued)**

Indirect holdings:

360Globalnet Ltd indirectly holds 100% of Infocap Technologies Ltd through its 100% ownership of Retrieval Technologies Limited.

360Globalnet Ltd indirectly holds 100% of Parkslide Pty Ltd with 51% ownership being held by 360Siteview Ltd. The remaining 49% of Parkslide Pty Ltd is owned directly by 360Globalnet Ltd.

Subsidiary audit exemption:

In line with the exemption allowed under section 479A of the Companies Act 2006 certain subsidiary companies of 360Globalnet Ltd have been made exempt from requirements to have an audit under section 475 of the Companies Act 2006. In order to meet this exemption 360Globalnet Ltd has pledged to guarantee all outstanding liabilities to which the relevant subsidiaries are subject to at the end of the financial year to which the guarantee relates until they are satisfied in full and that this guarantee is enforceable against the parent undertaking by any person to which the subsidiaries are liable in respect of those liabilities.

The following companies have taken advantage of exemption from audit as outline above:

- 360Intellimation Ltd (Company number: 07142145)
- 360Siteview Ltd (Company number: 07142142)
- 360Corporate Ltd (Company number: 07166799)
- 360Spatial Ltd (Company number: 07251839)
- 360Capital Ltd (Company number: 07259759)
- 360ClaimsServices Ltd (Company number: 04502073)
- Withyouin5.com Ltd (Company number: 07492078)
- Infocap Technologies Ltd (Company number: 03443879)
- Retrieval Technologies Ltd (Company number: 03636068)
- The Drainage Repair Company Ltd (Company number: 08570351)

Registered office addresses:

360Intellimation Ltd, 360Siteview Ltd, 360Corporate Ltd, 360Spatial Limited, 360Capital Ltd, 360ClaimsServices Limited, Withyouin5.com Ltd, Infocap Technologies Ltd, Retrieval Technologies Limited and The Drainage Repair Company Limited are all registered at Bourne House, 475 Godstone Road, Whyteleafe, Surrey CR3 0BL.

Parkslide PTY Ltd is registered in Australia with an office address of L2 613 St Kilda Road, 3004, Melbourne.

360Globalnet Inc is registered in the United States of America with an office address of Suite 400, 2300 N Barrington Road, Hoffman Estates, IL, 61095.

360Globalnet PTY Ltd is registered in Australia with an office address of Level 19, 180 Lonsdale Street, C/O 360Globalnet, 3000, Melbourne.

**15. Summary of company investments**

	<b>Company 2022 £</b>	Company 2021 £
Investments in subsidiaries	<b>777,228</b>	777,228
	<b>777,228</b>	777,228

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**16. Inventories**

**Group**

	<b>2022</b> <b>£</b>	2021 <b>£</b>
Finished goods and goods for resale	<b>6,452</b>	6,452
	<b>6,452</b>	6,452

**Company**

	<b>2022</b> <b>£</b>	2021 <b>£</b>
Finished goods and goods for resale	<b>2,710</b>	2,710
	<b>2,710</b>	2,710

The carrying amount of Group inventories pledged as security for liabilities amounted to £6,452 (2021: £6,452).

The carrying amount of Company inventories pledged as security for liabilities amounted to £2,710 (2021: £2,710).

**17. Trade and other receivables**

	<b>Group</b> <b>2022</b> <b>£</b>	Group 2021 <b>£</b>	<b>Company</b> <b>2022</b> <b>£</b>	Company 2021 <b>£</b>
Trade receivables	<b>2,064,213</b>	1,566,038	<b>740,982</b>	553,583
Amounts owed by group companies	-	-	<b>1,123,858</b>	844,637
Amounts owed by related companies	<b>8,849,173</b>	8,633,375	<b>8,849,173</b>	8,633,375
Prepayments and accrued income	<b>779,129</b>	494,810	<b>248,645</b>	272,632
Other receivables	-	4,590	-	-
	<b>11,692,515</b>	10,698,813	<b>10,962,658</b>	10,304,227

The carrying value of trade and other receivables classified as financial assets measured at amortised cost approximates fair value.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**18. Trade and other payables**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>As restated</b>	<b>2022</b>	<b>As restated</b>
	<b>£</b>	<b>2021</b>	<b>£</b>	<b>2021</b>
		<b>£</b>		<b>£</b>
Trade payables	<b>537,962</b>	378,954	<b>311,684</b>	202,031
Amounts owed to group companies	-	-	<b>1,593,753</b>	880,223
Amounts owed to related companies	<b>30,834</b>	-	-	-
Other payables	<b>475,172</b>	311,821	<b>69,845</b>	36,501
Accruals	<b>246,198</b>	164,923	<b>140,940</b>	85,640
Other payables - tax and social security	<b>643,450</b>	387,650	<b>511,052</b>	246,111
Deferred income	<b>49,676</b>	4,657	<b>45,836</b>	817
	<b>1,983,292</b>	1,248,005	<b>2,673,110</b>	1,451,323

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates to fair values.

**19. Loans and borrowings**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>As restated</b>	<b>2022</b>	<b>As restated</b>
	<b>£</b>	<b>2021</b>	<b>£</b>	<b>2021</b>
		<b>£</b>		<b>£</b>
<b>Non-current loans and borrowings</b>				
Other borrowings	<b>19,941,405</b>	18,049,274	<b>19,941,405</b>	18,049,274
Lease liabilities	<b>70,328</b>	228,637	<b>56,687</b>	214,322
	<b>20,011,733</b>	18,277,911	<b>19,998,092</b>	18,263,596
<b>Current loans and borrowings</b>				
Loans	<b>1,343,127</b>	908,429	<b>1,343,127</b>	908,429
Lease liabilities	<b>189,793</b>	310,081	<b>173,293</b>	295,386
	<b>1,532,920</b>	1,218,510	<b>1,516,420</b>	1,203,815
<b>Total loans and borrowings</b>	<b>21,544,653</b>	19,496,421	<b>21,514,512</b>	19,467,411

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**Other borrowings and security**

Fixed and floating charges over the property of the Group have been filed with Companies House in securing amounts due to DXC UK International Operations Limited ("DXC") at the year end of £19,941,405 (2021 - £18,049,274).

The DXC loan is due for repayment on 1 March 2025. For unpaid interest, a rate of 8% was charged up to and including 31 August 2017, with interest of 10% being charged thereafter. If 360Globalnet Ltd decide to pay the interest in the quarter it is accrued, the rate applied is only 6% rather than the 10% stated above.

In lieu of making the entire interest payment, interest can be accrued on the outstanding principal amount. DXC are entitled to, at any time, convert all or any portion of the outstanding and unpaid accrued interest amount into fully paid ordinary shares. These can be converted at a fixed price per share of £2,569. The value of unpaid interest as at the year end was £8,841,405 (2021: £6,949,274).

**Loans**

Loans consist of a loan provided by a director to the company. Details of this loan can be found in note 27.

**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2022**

**20. Lease liabilities**

**Lease liabilities - Group**

	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Leasehold property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Liability</b>				
Balance at 1 January 2022	109,588	137,795	291,335	538,718
Additions	-	41,735	-	41,735
Interest expense	4,112	8,965	19,068	32,145
Lease payments	(113,700)	(83,966)	(154,811)	(352,477)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>104,529</b>	<b>155,592</b>	<b>260,121</b>

**Contractual undiscounted cash flows**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
- Not later than a year	202,352	343,527
- Later than 1 year but not later than 5 years	76,569	240,791
Less: Future interest charges	(18,800)	(45,600)
<b>Present value of lease liabilities</b>	<b>260,121</b>	<b>538,718</b>

**Presented in statement of financial position**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
- Non-current	70,328	228,637
- Current	189,793	310,081
	<b>260,121</b>	<b>538,718</b>



**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2022**

**20. Lease liabilities (continued)**

**Lease liabilities - Company**

	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Leasehold property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Liability</b>				
Balance at 1 January 2022	109,588	108,785	291,335	509,708
Additions	-	19,040		19,040
Interest expense	4,112	5,557	19,068	28,737
Lease payments	(113,700)	(58,994)	(154,811)	(327,505)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>74,388</b>	<b>155,592</b>	<b>229,980</b>

**Contractual undiscounted cash flows**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
- Not later than a year	184,465	326,690
- Later than 1 year but not later than 5 years	59,228	225,346
Less: Future interest charges	(13,713)	(42,328)
<b>Present value of lease liabilities</b>	<b>229,980</b>	<b>509,708</b>

**Presented in statement of financial position**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
- Non-current	56,687	214,322
- Current	173,293	295,386
	<b>229,980</b>	<b>509,708</b>

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**21. Employee benefit liabilities**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £312,078 (2021: £355,105).

Contributions totalling £34,792 (2021: £7,583) were payable to scheme at the end of the year and are included in creditors.

**22. Share capital**

**Authorised**

	<b>2022 Number</b>	<b>2022 £</b>	<b>2021 Number</b>	<b>2021 £</b>
<b>Shares treated as equity</b>				
Ordinary shares of £1.00 each	<b>18,573</b>	<b>18,573</b>	18,573	18,573
	<b>18,573</b>	<b>18,573</b>	18,573	18,573

**Issued and fully paid**

	<b>2022 Number</b>	<b>2022 £</b>	<b>2021 Number</b>	<b>2021 £</b>
<b>Ordinary shares of £1.00 each</b>				
At 1 January and 31 December	<b>18,573</b>	<b>18,573</b>	18,573	18,573

**23. Reserves**

**Share premium**

Proceeds received in addition to the nominal value of the shares issued have been included in share premium, less registration and other regulatory fees and net of related tax benefits.

**Capital redemption reserve**

The capital redemption reserve relates to the Company purchasing 5,648 of its own shares at nominal value of £5,648 in 2013.

**Foreign exchange reserve**

The reserve comprises foreign exchange differences which have arisen on the translation of 360Globalnet Inc. from United States Dollars to Great Britain Pounds and on the translation of 360Globalnet Pty Ltd and Parkslide Pty Ltd from Australian Dollars to Great British Pounds.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**24. Financial instruments - fair values and risk management**

**24.1 Financial risk management objectives**

The Group is exposed to various risks in relation to financial instruments. The Group's risk management is coordinated by its board of directions. The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

**24.2 Market risk**

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from its operating and investing activities.

**Foreign exchange risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

360Globalnet Inc. is an entity incorporated in the USA and its working currency is the US Dollar, whilst 360Globalnet Pty Ltd and Parkslide Pty Ltd are entities incorporated in Australia and their working currency is the Australian Dollar. Both of these are subject to translation variances when consolidated in the Group accounts using the functional currency of pounds sterling. Translation variances are taken through the statement of comprehensive income.

The translation differences will be susceptible to global factors affecting the value of the pound sterling against the US Dollar and Australian Dollar respectively.

**Interest rate risk**

The Group's borrowings are held under fixed interest rates. The Group is not subject to fluctuations in interest rates in relation to these borrowings.

Receivable loans are linked to LIBOR rates, and a reduction in LIBOR rates would lead to a decrease in interest receivable. The general consensus is that this rate is likely to increase, and therefore no further action has been taken.

**24.3 Credit risk management**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk is managed on a Group basis based on the Group's credit risk management policies and procedures. Where appropriate, service customers are required to pay the fee for the service upfront, mitigating the credit risk.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**24. Financial Instruments - fair values and risk management (continued)**

**24.4 Financial Instruments**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Financial Assets</b>				
Bank and cash balances	<b>426,958</b>	861,121	<b>82,968</b>	205,461
Trade and other receivables	<b>10,913,386</b>	10,204,003	<b>10,714,013</b>	10,028,595
	<b><u>11,340,344</u></b>	<u>11,065,124</u>	<b><u>10,796,981</u></b>	<u>10,234,056</u>

	<b>Group 2022 £</b>	<b>Group As restated 2021 £</b>	<b>Company 2022 £</b>	<b>Company As restated 2021 £</b>
<b>Financial Liabilities</b>				
Bank overdrafts	<b>(337)</b>	(337)	-	-
Loans and borrowings	<b>(21,544,990)</b>	(19,496,758)	<b>(21,514,512)</b>	(19,467,411)
Trade and other payables	<b>(1,933,646)</b>	(1,243,348)	<b>(2,627,274)</b>	(1,450,506)
	<b><u>(23,478,973)</u></b>	<u>(20,740,443)</u>	<b><u>(24,141,786)</u></b>	<u>(20,917,917)</u>

**25. Prior year adjustment**

A prior year adjustment has been made to reallocate a director's loan balance of £908,429 from within Trade and other payables to within current Loans and borrowings in the Consolidated and Company Balance Sheets to more accurately reflect the nature of the balance. This is a presentational adjustment that does not impact the loss in the prior year or the net liability position.

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**26. Share based payments**

**26.1. Share option plan of the Company**

**Details of the share option of the Company**

The options are provided to the key employees and certain former employees of the Company and give the holders the option to acquire shares granted under the plan.

At the year end the following share-based payments were in existence:

	<b>Number</b>	<b>Earliest grant date</b>	<b>Latest expiry date</b>	<b>Exercise price £</b>	<b>Fair value at grant date £</b>
1) Share option 1	210	30/01/20	30/01/30	1.00	949.13
2) Share option 2	245	1/08/21	19/10/31	1.00	949.11
3) Share option 3	35	1/08/22	1/08/32	1.00	949.09
4) Share option 4	35	1/10/22	1/10/32	1.00	949.09
5) Share option 5	35	19/10/22	19/10/32	1.00	949.09

Where options have been granted in prior years these have been aggregated in the table above, with the earliest grant date and latest expiry date of the options issued in that year shown. Where options have been aggregated, the respective grant and expiry dates were all within 3 months of the dates shown above.

**Fair value of share options**

The fair value of the options was calculated using the Black-Scholes model as an observable market price is not available.

The inputs into the Black Scholes model were as follows:

	<b>Share price £</b>	<b>Exercise price £</b>	<b>Expected volatility</b>	<b>Risk-free interest rate</b>
1) Share option 1	950.05	1.00	15.00 %	1.80 %
2) Share option 2	950.05	1.00	15.00 %	1.80 %
3) Share option 3	950.05	1.00	15.00 %	1.80 %
4) Share option 4	950.05	1.00	15.00 %	1.80 %
5) Share option 5	950.05	1.00	15.00 %	1.80 %

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**Movements in share options during the year**

The following reconciles the share options outstanding at the beginning and end of the year:

	Number of options	2022 Weighted average exercise price £	Number of options	2021 Weighted average exercise price £
Balance at the beginning of the year	455	1.00	210	1.00
Granted during the year	105	1.00	245	1.00
Balance at the end of the year	560	1.00	455	1.00

The options are exercisable on an 'exit' event, being the sale of a controlling stake in the parent company. During the year, no options were exercised.

A charge of £123,197 (2021: £99,916) has been recognised in profit or loss in respect of the share based payments.

**27. Related party transactions**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

**27.1 Compensation of key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel are deemed to be solely the directors of the company. The total compensation paid to key management personnel, including National Insurance, was £618,886 (2021: £555,995).

**26.2 Other related party transactions**

A director continues to provide the Group with a loan. Interest is being charged on part of the loan at 2.5% per annum with the remaining loan being interest-free. Interest charged during the year totalled £16,698 (2021 - £9,491). An additional £418,000 has been loaned to the Group during the year. At the year end the amount due to the director was £1,343,127 (2021 - £908,429). The amount is due 12 months after receipt of written notice requiring repayment in full from the lender to the Company.

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance receivable	
		2022 £	2021 £	2022 £	2021 £
Majority shareholder	Loan	218,968	213,338	8,831,156	8,612,188
A company related to the director	Loan	(3,170)	16,680	18,017	21,187

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 December 2022**

**28. Ultimate controlling party**

The ultimate controlling party is P A Stanley.

**29. Notes supporting Group statement of cash flows**

**Group**

	<b>2022</b>	2021
	<b>£</b>	£
Cash at bank available on demand	<b>346,248</b>	478,023
Short-term deposits	<b>80,708</b>	383,098
Cash on hand	<b>2</b>	-
<b>Cash and cash equivalents in the statement of financial position</b>	<b>426,958</b>	861,121
Bank overdrafts used for cash management purposes	<b>(337)</b>	(337)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>426,621</b>	860,784

**30. Notes supporting company statement of cash flows**

	<b>2022</b>	2021
	<b>£</b>	£
Cash at bank available on demand	<b>82,968</b>	205,461
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>82,968</b>	205,461