

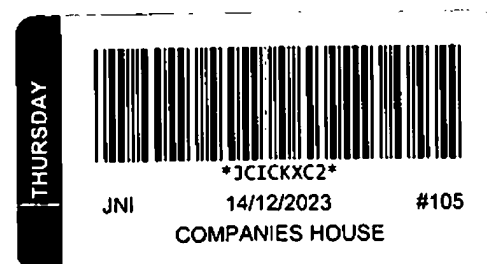
AuditComply Ltd

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 30 June 2023



Balance Sheet
As at 30 June 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 11,853 | 10,217 |
| | | <u>11,853</u> | <u>10,217</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 363,831 | 442,926 |
| Cash at bank and in hand | 7 | 59,971 | 173,426 |
| | | <u>423,802</u> | <u>616,352</u> |
| Creditors: amounts falling due within one year | 8 | (660,529) | (481,389) |
| Net current (liabilities)/assets | | <u>(236,727)</u> | <u>134,963</u> |
| Total assets less current liabilities | | <u>(224,874)</u> | <u>145,180</u> |
| Creditors: amounts falling due after more than one year | 9 | (28,935) | (38,032) |
| Net (liabilities)/assets | | <u><u>(253,809)</u></u> | <u><u>107,148</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 163,063 | 163,063 |
| Share premium account | 12 | 2,853,885 | 2,853,885 |
| Profit and loss account | 12 | (3,270,757) | (2,909,800) |
| | | <u><u>(253,809)</u></u> | <u><u>107,148</u></u> |

AuditComply Ltd
Registered number: NI623693

Balance Sheet (continued)
As at 30 June 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

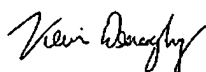
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 October 2023.



Kevin Donaghy
Director

The notes on pages 3 to 9 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

1. General information

AuditComply Ltd is a private company limited by shares incorporated in Northern Ireland. The registration number and address of the registered office are given in the company information section of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|-----------------------|---|-----|
| Fixtures and fittings | - | 33% |
| Computer equipment | - | 33% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Going concern

The company made a loss of £360,957 during the year (2022: Loss of £165,371).

The Company is seeking to grow and while it has significant software solutions in the market it continues to invest to research and develop them which has led to significant losses in the past.

The Company has a strong customer base that includes several blue chip customers that continue to increase their usage of the Company's sophisticated software platform. The Company expects to grow in the short to medium term with the aim of moving into a profitable trading position on a monthly basis during the course of the year ahead as it continues to expand its recurring revenues. The Company's shareholders remained supportive during the year with the knowledge that the Company could make appropriate cost reductions if required.

On this basis the Directors have formed a judgement at the time of writing that the Company will have adequate resources to continue in operational existence for the foreseeable future and therefore it is appropriate to prepare the financial statement on a going concern basis.

The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

4. Employees

The average monthly number of employees, including directors, during the year was 24 (2022 -22 employees).

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

5. Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 July 2022 | 14,803 | 34,755 | 49,558 |
| Additions | 153 | 8,120 | 8,273 |
| At 30 June 2023 | <u>14,956</u> | <u>42,875</u> | <u>57,831</u> |
| Depreciation | | | |
| At 1 July 2022 | 14,250 | 25,091 | 39,341 |
| Charge for the year on owned assets | 265 | 6,372 | 6,637 |
| At 30 June 2023 | <u>14,515</u> | <u>31,463</u> | <u>45,978</u> |
| Net book value | | | |
| At 30 June 2023 | <u>441</u> | <u>11,412</u> | <u>11,853</u> |
| At 30 June 2022 | <u>553</u> | <u>9,664</u> | <u>10,217</u> |

6. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 145,603 | 203,230 |
| Other debtors | 647 | 1,647 |
| Prepayments and accrued income | 7,923 | 10,079 |
| Tax recoverable | 209,658 | 227,970 |
| | <u>363,831</u> | <u>442,926</u> |

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

7. Cash and cash equivalents

| | 2023 | 2022 |
|--------------------------|---------------|-------------|
| | £ | £ |
| Cash at bank and in hand | 59,971 | 173,426 |
| | 59,971 | 173,426 |

8. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|----------------|-------------|
| | £ | £ |
| Bank loans | 10,648 | 9,884 |
| Trade creditors | 37,218 | 15,002 |
| Other taxation and social security | 122,883 | 71,770 |
| Other creditors | 120,982 | 14,281 |
| Accruals and deferred income | 368,798 | 370,452 |
| | 660,529 | 481,389 |

9. Creditors: Amounts falling due after more than one year

| | 2023 | 2022 |
|------------|---------------|-------------|
| | £ | £ |
| Bank loans | 28,935 | 38,032 |
| | 28,935 | 38,032 |

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

10. Loans

Analysis of the maturity of loans is given below:

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Amounts falling due within one year | | |
| Bank loans | 10,648 | 9,884 |
| | 10,648 | 9,884 |
| Amounts falling due 2-5 years | | |
| Bank loans | 28,935 | 38,032 |
| | 28,935 | 38,032 |
| | 39,583 | 47,916 |

11. Share capital

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 997,187 (2022 -997,187) Ordinary shares of £0.001 each | 997 | 997 |
| 119,341,892 (2022 -119,341,892) A Ordinary shares of £0.001 each | 119,342 | 119,342 |
| 42,724,254 (2022 -42,724,254) B Ordinary shares of £0.001 each | 42,724 | 42,724 |
| | 163,063 | 163,063 |

12. Reserves

Share premium account

Includes all amounts paid for shares in excess of nominal value.

Profit and loss account

Includes all current and prior years retained profits and losses.