

Registered number: 08507554

WITH REACH UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

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WITH REACH UK LIMITED

COMPANY INFORMATION

Directors

S Ranieri
A E Treutler
D M Mays

Registered number

08507554

Registered office

C/o Stevens & Bolton LLP
Wey House
Furnham Road
Guildford
England
GU1 4YD

Independent auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
Canary Wharf
London
E14 4HD

WITH REACH UK LIMITED

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WITH REACH UK LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Introduction

The Directors present their strategic report of the Group and the Company for the year ended 30 November 2021.

Strategy and business model

The purpose of the Company is to generate profits for its shareholders. It does this by enabling online merchants to sell to shoppers in countries different from their own. To this end it built a platform that facilitates the processing of payments in multiple currencies, while reducing fraudulent payments. It also needs to maintain entities in multiple jurisdictions to facilitate the above.

Business performance and trends

The Covid pandemic has accelerated the trend for people to shop online instead of in physical stores, benefitting the company. This trend is now reverting to pre-pandemic normal.

The company has made a conscious decision to accelerate its pace of growth by investing in expanding capabilities. It raised capital to finance this expansion, and expects negative net income over the next few years.

Principal risks and uncertainties

The principal risks facing the Company are:

- Ability to maintain banking relationships.
- Compliance issues regarding Anti-money laundering and fraud prevention

The Company manages these risks by maintaining a very focused compliance regime.

Financial key performance indicators

The management monitors the activities and performance of the company on a regular basis. It uses financial indicators based on budget versus actual performance. Indicators used to assess performance during the year have included turnover, volume of transactions, gross profit margin and operating profit margin.

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



S Ranieri
Director

Date: 1 August 2022

WITH REACH UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their report and the financial statements for the year ended 30 November 2021.

Results and dividends

The loss for the year, after taxation, amounted to £2,264,622 (2020 - profit £888,995).

Directors

The directors who served during the year were:

S Ranieri
A E Treutler
D M Mays (appointed 16 June 2021)

Future developments

The Company is investing heavily to accelerate growth, mainly by growing its IT team. This will result in lower EBITDA. The Company plans to take on debt to finance this growth.

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 auditors are aware of that information.

Post balance sheet events

Subsequent to the year end, the Group has benefitted from loan facilities, one between With Reach UK Limited and Vistara Technology Growth Fund (Canada) Iv. LP and another with ATB Financial to support ongoing growth.

The loan with Vistara Technology Growth Fund (Canada) Iv. LP has been secured by a fixed and floating charge over the assets of the group and company.

The loan agreement was signed on 9 March 2022 and the first drawdown made in March 2022

The loan with ATB Financial has been secured by a fixed and floating charge over the assets of the group and company.

The loan agreement was signed on 4 March 2022.

On March 31 2022 the Company acquired 100% of the ordinary shares of Barrel Marketing Ltd for £152,025 (C\$250,000) in cash. The primary reason for the acquisition was to enhance its own marketing efforts and not its revenue generating capability, which is expected to be insignificant.

The fair value of Barrel's net assets at acquisition was £139,442 (C\$229,306), resulting in Goodwill of £12,583 (C\$20,693) which useful life is estimated at 1 year.

WITH REACH UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Auditors

The auditors, PKF Littlejohn 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.

A handwritten signature in black ink, appearing to be 'S Ranieri', written over a horizontal line.

S Ranieri
Director

Date: 1 August 2022

WITH REACH UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WITH REACH UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK LIMITED

Opinion

We have audited the financial statements of With Reach UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 November 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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 WITH REACH UK LIMITED (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:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from anti-money laundering regulations, taxation and the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
 - Reviewing disclosures in the financial statements
 - enquiries of management,
 - review of minutes,
 - review of legal correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of the customer list which is based on projected revenue. We addressed this by challenging the assumptions and judgements made by management as well verifying the revenue earned during the relevant period when auditing this significant accounting estimate. The risk of management bias in relation to impairment of investments in subsidiary undertakings was addressed comparing the value of each investment with its net asset value and current trading results. The risk of management bias in relation to the bad debts charge was addressed by reviewing the rationale amounts written off and amounts provided for. The risk of management bias in determining the share options charge was addressed by reviewing the assumptions underlying the valuation model and performing a recalculation.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to:
 - the testing of journals;
 - reviewing accounting estimates for evidence of bias;
 - evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
 - preliminary and final analytical review to identify unexpected and unusual relationships.
- In our audit procedures, we have considered matters of non-compliance with laws and regulations, including fraud at the Group and component levels. We have performed audit procedures on all material components within the Group.

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

WITH REACH UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK LIMITED (CONTINUED)

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.



Azhar Rana (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditors
15 Westferry Circus
Canary Wharf
London
E14 4HD

1 August 2022

WITH REACH UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	2021 £	2020 £
Turnover	4	21,350,075	15,426,090
Cost of sales		(12,945,065)	(9,671,272)
Gross profit		8,405,010	5,754,818
Administrative expenses		(10,951,730)	(4,586,030)
Operating (loss)/profit	5	(2,546,720)	1,168,788
Exceptional item	7	89,071	-
Interest receivable and similar income	8	-	37
Interest payable and expenses	9	(7,879)	(272)
(Loss)/profit before taxation		(2,465,528)	1,168,553
Tax on (loss)/profit	10	200,906	(279,558)
(Loss)/profit for the financial year		(2,264,622)	888,995
Total comprehensive income for the year		(2,264,622)	888,995
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(2,264,622)	888,995
		(2,264,622)	888,995
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(2,264,622)	888,995
		(2,264,622)	888,995

The notes on pages 16 to 35 form part of these financial statements.

WITH REACH UK LIMITED
REGISTERED NUMBER: 08507554

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	11	470,850	518,356
Tangible assets	12	209,691	60,085
		<u>680,541</u>	<u>578,441</u>
Current assets			
Debtors: amounts falling due within one year	14	9,230,990	11,206,284
Cash at bank and in hand	15	11,614,030	4,438,515
		<u>20,845,020</u>	<u>15,644,799</u>
Creditors: amounts falling due within one year	16	(18,738,168)	(15,333,146)
Net current assets		<u>2,106,852</u>	<u>311,653</u>
Total assets less current liabilities		<u>2,787,393</u>	<u>890,094</u>
Net assets		<u><u>2,787,393</u></u>	<u><u>890,094</u></u>
Capital and reserves			
Called up share capital	17	1	1
Share option reserve	19	327,259	-
SAFE notes reserve	20	3,814,047	-
Share warrants reserve	21	20,615	-
Profit and loss account	22	(1,374,529)	890,093
		<u>2,787,393</u>	<u>890,094</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S Ranleri
Director

Date: 1 August 2022

The notes on pages 16 to 35 form part of these financial statements.

WITH REACH UK LIMITED
REGISTERED NUMBER: 08507554

COMPANY BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	465,620	513,126
Tangible assets	12	3,849	1,368
Investments	13	1,425,095	560,095
		<u>1,894,564</u>	<u>1,074,589</u>
Current assets			
Debtors: amounts falling due within one year	14	13,201,168	15,350,397
Cash at bank and in hand	15	3,090,650	1,950,777
		<u>16,291,818</u>	<u>17,301,174</u>
Creditors: amounts falling due within one year	16	(15,277,405)	(17,217,327)
Net current assets		<u>1,014,413</u>	<u>83,847</u>
Total assets less current liabilities		<u>2,908,977</u>	<u>1,158,436</u>
Net assets		<u><u>2,908,977</u></u>	<u><u>1,158,436</u></u>
Capital and reserves			
Called up share capital	17	1	1
Share option reserve	19	327,259	-
SAFE notes reserve	20	3,814,047	-
Share warrants reserve	21	20,615	-
Profit and loss account	22	(1,252,945)	1,158,435
		<u>2,908,977</u>	<u>1,158,436</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S Ranieri
Director

Date: 1 August 2022

The notes on pages 16 to 35 form part of these financial statements.

WITH REACH UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Called up share capital	Share option reserve	SAFE notes reserve	Share warrants reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 December 2019	1	-	-	-	1,098	1,099
Comprehensive income for the year						
Profit for the year	-	-	-	-	888,995	888,995
At 1 December 2020	1	-	-	-	890,093	890,094
Loss for the year	-	-	-	-	(2,264,622)	(2,264,622)
Other movements						
Issued during the year	-	327,259	3,814,047	20,615	-	4,161,921
At 30 November 2021	1	327,259	3,814,047	20,615	(1,374,529)	2,787,393

WITH REACH UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Called up share capital £	Share option reserve £	SAFE notes reserve £	Share warrants reserve £	Profit and loss account £	Total equity £
At 1 December 2019	1	-	-	-	431,885	431,886
Comprehensive income for the year						
Profit for the year	-	-	-	-	726,550	726,550
At 1 December 2020	1	-	-	-	1,158,435	1,158,436
Loss for the year	-	-	-	-	(2,411,380)	(2,411,380)
Other movements						
Issued during the year	-	327,259	3,814,047	20,615	-	4,161,921
At 30 November 2021	1	327,259	3,814,047	20,615	(1,252,945)	2,908,977

WITH REACH UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	(2,264,622)	888,995
Adjustments for:		
Amortisation of intangible assets	57,547	79,965
Depreciation of tangible assets	66,177	-
Stockbased compensation	327,259	-
Warrant expense	20,615	-
Negative goodwill	(89,071)	-
Interest paid	7,879	272
Interest received	-	(37)
Taxation charge	(200,906)	279,558
Decrease/(increase) in debtors	2,459,317	(6,003,946)
Decrease in amounts owed by groups	-	1,796,987
Increase in creditors	1,601,884	6,585,350
Increase/(decrease) in amounts owed to groups	-	(359,017)
Foreign exchange	(8,394)	(439)
Corporation tax (paid)/received	(301,452)	(10,897)
Net cash generated from operating activities	1,676,233	3,256,791
Cash flows from investing activities		
Purchase of intangible fixed assets	(10,041)	(2,159)
Purchase of tangible fixed assets	(205,391)	(28,483)
Interest received	-	37
Cash consideration for acquisition of subsidiary	(865,000)	-
Cash acquired	2,773,546	-
Net cash from investing activities	1,693,114	(30,605)
Cash flows from financing activities		
Interest paid	(7,879)	(272)
Safe notes	3,814,047	-
Net cash used in financing activities	3,806,168	(272)
Net increase in cash and cash equivalents	7,175,515	3,225,914
Cash and cash equivalents at beginning of year	4,438,515	1,212,601
Cash and cash equivalents at the end of year	11,614,030	4,438,515
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,614,030	4,438,515

WITH REACH UK LIMITED

The notes on pages 16 to 35 form part of these financial statements.

Net debt Reconciliation:

The Net Debt Reconciliation comprises only of the corporate cash and cash equivalents, as the Group does not have any borrowings.

The cash and cash equivalents at the beginning of the period, the cash flows arising during the period, any exchange rate movements and the cash and cash equivalents at the end of the period are disclosed within the Cash Flow Statement above.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

1. General information

The Company is a private Company limited by shares and is incorporated and domiciled in England. The Company's registered address is Fifth Floor Suite 23, 63/66 Hatton Garden, London, England, EC1N 8LE.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Going Concern

This is the first full year of trading for the group and the Company, given the Group derives its revenue from online sales transactions, and that online sales have benefited from the enforced social distancing due to COVID19, the Group continues to be profitable. The Directors have a reasonable expectation that the Group will be able to meet its liabilities as they fall due for next 12 months from the approval of financial statements. As such, the financial statements have been prepared on a going concern basis.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements, incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.4 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at reporting date.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

Foreign exchange revenue, processing revenue, fraud management revenue and chargeback control revenue are recognised when the related performance obligations are performed.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with fair value of goods and services received.

2.9 Taxation

Tax is recognised in the consolidated statement of comprehensive income 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 and the Group operate and generate income.

2.10 Intangible assets

Intangible assets are initially recognised at cost. Subsequent measurement is at cost less any accumulated amortisation, less any accumulated impairment losses. Where there are any indicators of impairment at the reporting date an impairment review is performed. An intangible asset will be impaired if its carrying value exceeds its recoverable amount or value in use.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life for the customer list is 10 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.11 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.

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:

Office equipment	-	25%
Computer equipment	-	25%

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 the consolidated statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.13 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.

2.14 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.16 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements 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.

a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these Financial Statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below;

(i) Share based payments and warrants

The Group has used the Black-Scholes and Monte Carlo valuation models to determine the value of share-based payments made to employees. Any changes to exit date, volatility, fair value of the shares, and other assumptions made by management will impact the valuation. The expected price volatility is based on the historic volatility of the comparable companies (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(ii) Recoverability of debtors and bad debt provision

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade of other debtors, management considers factors including the current credit rating of the debtor, the aging profile and historical experience. The Company recognises a bad debt provision to the extent a debtor is considered irrecoverable.

(iii) Impairment of Intangible assets

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The Company factors in the current and future economic benefits arising from the intangible assets to assess the requirement to impair part or all of the balance.

(iv) Impairment of Investment in subsidiary undertakings

The Company makes an estimate of the value in use or the recoverable amount of its investment in subsidiaries in order to determine whether any provision for impairment is required. When assessing these values management considers the current net asset position of each subsidiary, its recent and budgeted trading results and any Group strategic plans that may impact the subsidiary.

(v) Estimated useful life of intangible assets

Intangible assets are amortised over their useful lives. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Foreign exchange revenue	9,140,618	6,106,923
Processing fee revenue	11,695,472	8,710,337
Technology development revenue	144,527	214,974
Fraud management revenue	242,486	223,893
Chargebacks and other revenue	126,972	169,963
	<u>21,350,075</u>	<u>15,426,090</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Auditor's remuneration	106,500	65,000
Amortisation of Intangible asset	57,547	57,547
Depreciation charge	66,177	22,061
Exchange differences	168,530	48,103
Other operating lease rentals	12,624	-
	<u>12,624</u>	<u>-</u>

6. Employees

The average number of employees for the Group, including Directors, during the year was as follows:

	2021 No.	2020 No.
Accounting	8	5
Customer care and risk	9	6
Development	54	10
Merchant success	7	5
Product	2	3
Sales and business development	11	3
Others	11	9
	<u>102</u>	<u>41</u>

The Company had 3 employees in the year (2020: 1).

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

Employees (continued)

Staff costs, including Director's remuneration, were as follows:

	2021 £	2020 £
Wages and Salaries	5,136,825	2,495,828
Taxes and Social security	299,374	217,708
Other staff costs and benefits	215,531	278,700
	<u>5,651,730</u>	<u>2,992,236</u>

Only one director was paid remuneration in the year of CAD 375,000 as a salary.

7. Exceptional item

	2021 £	2020 £
Exceptional item	89,071	-
	<u>89,071</u>	<u>-</u>

The exceptional item represents the negative goodwill written off to the consolidated statement of comprehensive income.

8. Interest receivable

	2021 £	2020 £
Other interest receivable	-	37
	<u>-</u>	<u>37</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	7,879	272
	<u>7,879</u>	<u>272</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(261,459)	230,951
	<u>(261,459)</u>	<u>230,951</u>
Foreign tax		
Foreign tax on income for the year	60,553	48,607
	<u>60,553</u>	<u>48,607</u>
Total current tax	<u>(200,906)</u>	<u>279,558</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>(200,906)</u>	<u>279,558</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>(2,465,528)</u>	<u>958,698</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(468,450)	182,153
Effects of:		
Adjustments to tax charge in respect of prior periods	39,648	22,378
Losses carried back	219,837	-
Adjustments to tax charge in respect of previous periods	(261,919)	-
Remeasurement of deferred tax for changes in tax rates	81	(236)
Movement in deferred tax not recognised	274,570	26,656
Foreign tax	(4,673)	48,607
Total tax charge for the year	<u>(200,906)</u>	<u>279,558</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

10. Taxation (continued)

Factors that may affect future tax charges

Legislation was passed on 18 November 2015 to further reduce the UK corporation tax rate to 18% from 1 April 2020.

Further legislation was introduced in the Finance Bill 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020 (this supersedes the 18% rate).

On 3 March 2021, the UK government announced that it intended to increase the main rate of corporation tax to 25% for financial years beginning on or after 1 April 2023. This rate was enacted on 10 June 2021.

11. Intangible assets

Group

	Customer list £	Goodwill £	Total £
Cost			
At 1 December 2020	575,469	5,230	580,699
Additions	10,041	-	10,041
At 30 November 2021	<u>585,510</u>	<u>5,230</u>	<u>590,740</u>
Amortisation			
At 1 December 2020	62,343	-	62,343
Charge for the year on owned assets	57,547	-	57,547
At 30 November 2021	<u>119,890</u>	<u>-</u>	<u>119,890</u>
Net book value			
At 30 November 2021	<u>465,620</u>	<u>5,230</u>	<u>470,850</u>
At 30 November 2020	<u>513,126</u>	<u>5,230</u>	<u>518,356</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

11. Intangible assets (continued)

Company

	Customer list £
Cost	
At 1 December 2020	575,469
Additions	10,041
At 30 November 2021	<u>585,510</u>
Amortisation	
At 1 December 2020	62,343
Charge for the year	57,547
At 30 November 2021	<u>119,890</u>
Net book value	
At 30 November 2021	<u><u>465,620</u></u>
At 30 November 2020	<u><u>513,126</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

12. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 December 2020	85,064	-	85,064
Additions	206,010	9,773	215,783
At 30 November 2021	<u>291,074</u>	<u>9,773</u>	<u>300,847</u>
Depreciation			
At 1 December 2020	24,979	-	24,979
Charge for the year on owned assets	61,608	4,569	66,177
At 30 November 2021	<u>86,587</u>	<u>4,569</u>	<u>91,156</u>
Net book value			
At 30 November 2021	<u>204,487</u>	<u>5,204</u>	<u>209,691</u>
At 30 November 2020	<u>60,085</u>	<u>-</u>	<u>60,085</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

12. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 December 2020	1,758
Additions	3,808
At 30 November 2021	<u>5,566</u>
Depreciation	
At 1 December 2020	390
Charge for the year on owned assets	1,327
At 30 November 2021	<u>1,717</u>
Net book value	
At 30 November 2021	<u><u>3,849</u></u>
At 30 November 2020	<u><u>1,368</u></u>

WITH REACH UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2020	560,095
Additions	865,000
At 30 November 2021	<u>1,425,095</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Reach Ltd.	Canada	Ordinary	100%
With Reach (USA) LLC	USA	N/a	100%
With Reach (Australia) Pty Ltd	Australia	Ordinary	100%
With Reach (EU) Limited OU	Estonia	Ordinary	100%
With Reach UK Services Ltd	England	Ordinary	100%

All the above subsidiaries are included in the consolidation.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

14. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	7,045,156	9,077,461	2,671,257	4,062,717
Amounts owed by related parties	-	1,359,613	8,589,257	10,225,042
Other debtors	1,438,815	728,584	1,381,544	1,051,377
Prepayments and accrued income	513,240	40,626	367,234	11,261
Corporation tax receivable	233,779	-	191,876	-
	<u>9,230,990</u>	<u>11,206,284</u>	<u>13,201,168</u>	<u>15,350,397</u>

Amounts owed by group undertakings are unsecured, attract no interest and are repayable on demand.

15. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	11,614,030	4,438,515	3,090,650	1,950,777
	<u>11,614,030</u>	<u>4,438,515</u>	<u>3,090,650</u>	<u>1,950,777</u>

16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	16,259,375	13,472,925	14,603,374	13,148,074
Amounts owed to related parties	1,445,919	995,303	-	3,241,966
Corporation tax	-	268,579	-	230,951
Other creditors	832,206	484,699	519,363	484,699
Accruals and deferred income	200,668	111,640	154,668	111,637
	<u>18,738,168</u>	<u>15,333,146</u>	<u>15,277,405</u>	<u>17,217,327</u>

Amounts owed to group undertakings are unsecured, attract no interest and are repayable on demand.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,000,000 (2020 - 1) Ordinary shares of £0.0000001 each	1	1

On 7 April 2021 the share capital was subdivided into 10,000,000 shares of £0.0000001.

18. Business combinations

On 30 June 2021, With Reach UK Limited acquired 100% of the ordinary share capital in With Reach UK Services Limited for £865,000 in cash. The primary reason for the acquisition was to bring With Reach UK Services Ltd. formally into the group, as it's sole function is to provide services to With Reach UK Ltd.

Acquisition of With Reach UK Services Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment s £	Fair value £
Fixed Assets			
Property, plant and equipment	1,998	-	1,998
Total Fixed assets	1,998	-	1,998
Current Assets			
Trade and other receivables	250,313	-	250,313
Cash and cash equivalents	2,773,546	-	2,773,546
Total Assets	3,025,857	-	3,025,857
Creditors			
Due within one year	(2,071,786)	-	(2,071,786)
Total Identifiable net assets	954,071	-	954,071
Goodwill			(89,071)
Total purchase consideration			865,000
Consideration			
Cash			865,000

WITH REACH UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

18. Business combinations (continued)

Cash flow on acquisition

	£
Purchase consideration settled in cash, as above	(865,000)
	<u>(865,000)</u>
Less: Cash and cash equivalents acquired	2,773,546
Net cash inflow on acquisition	<u>1,908,546</u>

The negative goodwill arising on acquisition was written off to the profit and loss account at acquisition

The results of With Reach UK Services Limited since acquisition are as follows:

	£
Turnover	124,852
(Loss) for the period since acquisition	<u><u>(108,403)</u></u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

19. Share options

Share option reserve

On October 14, 2021, With Reach UK Ltd. established an Equity Incentive Plan and granted stock options to employees of the company and its subsidiaries.

The general terms of the plan are:

Equity awards are limited to a maximum of 10% of the ordinary shares outstanding. Stock option vesting is over 4 years, with a one year cliff for 25% of each grant and the remaining 75% vesting quarterly over the remaining 3 years. The vesting start date is each employee's initial employment date, so tenured employees had some or all of their options immediately vested at the time of grant. The maximum term of options is 10 years from the grant date.

The options are equity settled.

The FMV of the options are determined by using the Black-Scholes method, as the options are plain vanilla with no exercise restrictions aside from time-based vesting.

	Number	WA Exercise Price
Outstanding at the beginning of the year	-	
Granted	684,500	CAD \$5.00
Forfeited	3,781	CAD \$5.00
Exercised	-	
Expired	-	
Outstanding at the end of the year	680,719	CAD \$5.00
Exercisable at the end of the year	61,127	CAD \$5.00
Equity Award Share Reserve	1,000,000	

Share-based compensation expense for the year was £327,259.

20. SAFE notes reserve

SAFE notes are convertible automatically upon the closing of the next equity financing or during a liquidity event. They carry no interest, have no repayment date, convey no shareholder rights and the company has no obligation to redeem the notes, except if the investor so elects on a liquidity event.

21. Share warrants reserve

On October 14, 2021, a total of 7,000 warrants entitling the holder to purchase common shares of With Reach UK Ltd., were granted to two consulting firms for services rendered, received, and valued at CAD \$35,000.

The warrants vested immediately, have an exercise price of CAD \$5.00 per share, and expire on Oct 14, 2031.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

22. Reserves

Profit and loss account

The profit and loss accounts represents cumulative profits and losses net of dividends and other adjustments.

23. Commitments under operating leases

At 30 November 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Company 2021	<i>Company 2020</i>
	£	£
Not later than 1 year	10,520	-
	<u>10,520</u>	<u>-</u>

24. Related party transactions

The Company is not required to disclose transactions with wholly owned subsidiaries due to the exemptions available under Section 33 of FRS 102.

Anthony Treutler is a Director of With Reach UK Services Limited , With Reach UK Limited and Calgary Foreign Exchange Limited.

The Company owed Mr. Anthony Treutler £1,115,156 (2020: £450,156) at the year end.

On 30 June 2021, Mr. Anthony Treutler sold his 100% shareholding in With Reach UK Services to With Reach UK Limited. The sale generated negative goodwill of £89,071.

During the year, there were flows of funds between the With Reach Group and Calgary Foreign Exchange Limited relating to FX trades and payment processing transactions. As at 30 November 2021, the Group had net payable of £248,636 to Calgary Foreign Exchange Limited.

At 30 November 2021, With Reach UK limited owed £46,796 to Calgary Foreign Exchange Limited.

Anthony Treutler is a Director in Biosphere Limited (a company registered in Isle of Man) and 218 9278 Alberta (a company registered in Canada). During the year, the Company paid £192,920 for consultancy services to Biosphere Limited and £13,830 to 2189279 Alberta.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

25. Post balance sheet events

Subsequent to the year end, the Group has benefitted from loan facilities, one between With Reach UK Limited and Vistara Technology Growth Fund (Canada) Iv. LP and another with ATB Financial to support ongoing growth.

The loan with Vistara Technology Growth Fund (Canada) IV. LP has been secured by a fixed and floating charge over the assets of the Company and its subsidiaries and has the following terms:

- Convertible loan: US\$10 Million
- Interest rate: US Prime plus 7.25%
- Term: 4 years
- Standby loan: US\$5 million
- Available for 18 months
- Interest rate: US Prime plus 9.25%
- Attached warrants: 10% of advance used at discount of 25%

The loans are convertible into common shares of the Company at the end of the term (or earlier in case of a Qualified financing or Liquidity event) at a 25% discount and a US\$160 million valuation cap.

The loan agreement was signed on 9 March 2022 and the first drawdown made in March 2022.

The loan with ATB Financial has been secured by a fixed and floating charge over the assets of the group and company. The loan facility is for C\$10 million at Canadian prime plus 1.5% with a term of two years.

The loan agreement was signed on 4 March 2022.

On March 31 2022 the Company acquired 100% of the ordinary shares of Barrel Marketing Ltd for £152,025 in cash. The primary reason for the acquisition was to enhance its own marketing efforts and not its revenue generating capability, which is expected to be insignificant.

The fair value of Barrel's net assets at acquisition was £139,442 resulting in Goodwill of £12,583 which useful life is estimated at 1 year.

26. Controlling party

The ultimate controlling party is Mr. Anthony Treutler.