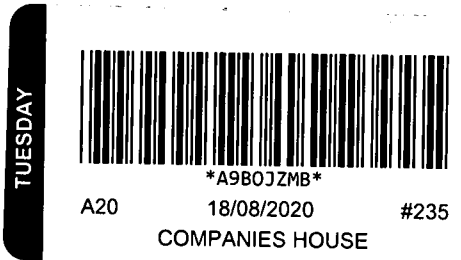
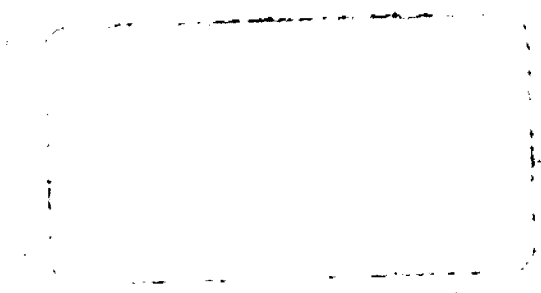


Crisp Thinking Group Limited

Annual report and financial statements

For the year ended 31 December 2019





For the Year ended 31 December 2010

Annual report and financial statements

Crab Thinking Group Limited

Crisp Thinking Group Limited

Company information

Directors

AP Burke
A Ferguson
AJ Hildreth
PW Maude
V Sharma

Registered number

05636614

Registered office

Suite 1
Floor 1
Central Square
29 Wellington Street
Leeds
LS1 4DL

Independent auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

Allied Irish Bank
1 City Square
Leeds
LS1 2ES

Crisp Thinking Group Limited

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Crisp Thinking Group Limited

Strategic report for the year ended 31 December 2019

The directors present their Strategic report for Crisp Thinking Group Limited for the year ended 31 December 2019.

Principal activities and business review

The principal activity of the group and company is the development, sale and delivery of Social Media Safety as a service.

The company is a leading developer of advanced online harms identification technology - across images, videos, text and bad actor profiling complemented by a global team of intelligence analysts.

Key performance indicators

Management use a range of internal performance measures to monitor and manage the business such as financial performance versus budget, operating cash flow and product development milestones.

In order to monitor the growth of the group the key performance indicators are annual recurring revenue, turnover and operating profit.

Annual recurring revenue is defined by the company as the value of contractually guaranteed revenues annualised for contracts that are signed, excluding setup costs and non-recurring fees. The annual recurring revenue increased in the year by 47% to £16,423,608 (2018: £11,175,216)

Turnover increased in the year by 36% to £14,768,176 (2018: £10,877,811). The operating loss increased by 299% to £2,527,578 (2018: £633,867), due to the Group's strategy of reinvestment to meet future expansion plans through marketing and personnel.

Future developments

We continue to innovate, develop and sell increasingly sophisticated and intelligent technology solutions protecting the social media presence of global brands. Furthermore, we will continue R&D to enhance our AI capabilities further in the fast and accurate detection of online harms within user generated content.

Principal risks and uncertainties

The directors meet regularly and formally review the principal risks facing the business. Our principal risks and uncertainties are as follows:

Operational Risk

The stability and robustness of our technology platform is crucial to providing the 24 hour, highly responsive service our clients require. Consequently, we have a variety of processes which ensure our systems stay functioning in the wake of an adverse event.

Financial Risk

Financial risks are managed through strict internal management controls, accurate and timely management information and KPI reporting.

Following the UK referendum to leave the EU, as of today there are still a number of uncertainties about the structure of any exit. The extent to which operations and financial performance will be affected in the longer term will only emerge over time. The Directors have reviewed the position of the group and do not believe that Brexit will have a significant impact on the business

Market/Foreign Exchange Risk

Key market risks relate to the macroeconomic picture including uncertainties surrounding Brexit. 81% of turnover within the group is in non-sterling currency. The risk has been mitigated by the frequent use of forward foreign exchange contracts which have been used to fix exchange rates in anticipation of future currency receipts.

Liquidity Risk

Based on current forecasts the Directors do not believe the group is exposed to significant liquidity risk.

Crisp Thinking Group Limited

Strategic report (continued) For the year ended 31 December 2019

Principal risks and uncertainties (continued)

Covid-19 Risk

The Covid-19 crisis poses a risk to both operational and financial factors. There are still uncertainties as to how long the crisis will continue and what the longer-term effects will be on the economy.

In response to the Covid-19 crisis and following government advice, the Directors implemented a companywide work from home policy to protect employees and ensure the operations of the group continue. The robustness of the systems and the cloud-based technology already in place has meant the group was able to mitigate the operational risk and continue operating in all areas of the group.

The Directors have reviewed and created various financial scenarios for risks the group is most likely to face including delayed receipts of debtors, increase in bad debts and loss of contracts. The results show that the group could continue to meet financial obligations and therefore supports preparing the accounts on a going concern basis. The timely reporting and review of debtor accounts will continue.

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



**AJ Hildreth
Director**

Date: 13 August 2020

Crisp Thinking Group Limited

Directors' report For the year ended 31 December 2019

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2019.

Results and dividends

The consolidated loss for the financial year, after taxation, was £1,845,442 (2018: loss £187,519).

In 2018 the directors proposed a dividend of £1,009,490 but upon review the company did not have sufficient reserves to pay the dividend. The directors are reviewing and have not proposed any further dividends. (2018: £Nil).

Directors

The directors who served during the year and up to date of signing the financial statements, unless otherwise indicated, are given below:

AP Burke
A Ferguson
AJ Hildreth
PW Maude
V Sharma (appointed 3 January 2019)

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained by the company throughout the financial year and up to the date of signing these financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Crisp Thinking Group Limited

Directors' report (continued) For the year ended 31 December 2019

Directors' confirmations

In the case of each director in office at the date that the Directors' Report is approved:

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

Independent auditors

PricewaterhouseCoopers LLP will be reappointed as the company's auditors in accordance with the elective resolution passed by the company under section 485 of the Companies Act 2006.

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



**AJ Hildreth
Director**

Date: 13 August 2020

Crisp Thinking Group Limited

Independent auditors' report to the members of Crisp Thinking Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Crisp Thinking Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2019 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheet as at 31 December 2019; the consolidated profit and loss account, the consolidated statement of cash flows, the consolidated statement of changes in equity and company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is *not appropriate*; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Crisp Thinking Group Limited

Independent auditors' report to the members of Crisp Thinking Group Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

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 financial statements.

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

Crisp Thinking Group Limited

Independent auditors' report to the members of Crisp Thinking Group Limited

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other matter

The consolidated financial statements for the year ended 31 December 2018, forming the corresponding figures of the consolidated financial statements for the year ended 31 December 2019, are unaudited.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

13 August 2020

Crisp Thinking Group Limited

Consolidated Profit and loss account for the year ended 31 December 2019

		2019	<i>Unaudited</i> 2018
	Note	£	£
Turnover	5	14,768,176	10,877,811
Operating expenses	6	(17,295,754)	(11,511,678)
Operating loss		(2,527,578)	(633,867)
Interest receivable and similar income		3,573	695
Interest payable and similar expenses	9	(27,491)	(46,194)
Loss before tax		(2,551,496)	(679,366)
Tax on loss	10	706,054	491,847
Loss for the financial year		(1,845,442)	(187,519)

The results for the current and prior year derive from continuing activities.

The company has no items of other comprehensive income for the current or preceding year. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 25 form part of these financial statements.

Crisp Thinking Group Limited

Consolidated and Company Balance sheet as at 31 December 2019

	Note	Group		Company	
		As at 31st December		As at 31st December	
		2019	<i>Unaudited</i> 2018	2019	2018
		£	£	£	£
Fixed assets					
Tangible assets	12	1,077,764	345,722	1,048,176	345,925
Investments	13	-	-	6	6
		<u>1,077,764</u>	<u>345,722</u>	<u>1,048,182</u>	<u>345,931</u>
Current assets					
Debtors: amounts falling due within one year	14	5,895,665	4,293,876	6,079,351	4,759,029
Cash at bank and in hand		1,865,044	3,671,827	505,348	2,845,037
		<u>7,760,709</u>	<u>7,965,703</u>	<u>6,584,699</u>	<u>7,604,066</u>
Creditors: amounts falling due within one year	15	(3,725,201)	(2,046,180)	(2,486,470)	(1,457,847)
Net current assets		<u>4,035,508</u>	<u>5,919,523</u>	<u>4,098,229</u>	<u>6,146,219</u>
Total assets less current liabilities		<u>5,113,272</u>	<u>6,265,245</u>	<u>5,146,411</u>	<u>6,492,150</u>
Creditors: amounts falling due after more than one year	16	(391,307)	(136,110)	(391,307)	(136,110)
Provisions for liabilities					
Deferred tax	17	(111,168)	(21,329)	(111,168)	(21,329)
Net assets		<u>4,610,797</u>	<u>6,107,806</u>	<u>4,643,936</u>	<u>6,334,711</u>
Capital and reserves					
Called up share capital	19	4,917	4,761	4,917	4,761
Share premium account		6,258,380	5,999,461	6,258,380	5,999,461
Profit and loss account		(1,622,141)	223,301	(1,619,361)	330,489
Translation reserve		(30,359)	(119,717)	-	-
Total equity		<u>4,610,797</u>	<u>6,107,806</u>	<u>4,643,936</u>	<u>6,334,711</u>

In accordance with the exemption allowed by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account, however the company has made a loss for the financial year of £1,949,850 (2018: £1,011,284).

The notes on pages 13 to 25 form part of these financial statements. The financial statements of Crisp Thinking Group Limited, registration number 05636614, on pages 8 to 25 were approved by the board of directors and were signed on its behalf by:



AJ Hildreth
Director

Date: 13 August 2020

Crisp Thinking Group Limited

Consolidated statement of changes in equity for the year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Translation reserve	Total Equity
	£	£	£	£	£
At 1 January 2019 (unaudited)	4,761	5,999,461	223,301	(119,717)	6,107,806
Comprehensive expense for the year					
Loss for the financial year	-	-	(1,845,442)	-	(1,845,442)
Shares issued during the year	156	258,919	-	-	259,075
Translation adjustment	-	-	-	89,358	89,358
At 31 December 2019	4,917	6,258,380	(1,622,141)	(30,359)	4,610,797

Consolidated statement of changes in equity for the year ended 31 December 2018 (unaudited)

	Called up share capital	Share premium account	Profit and loss account	Profit and loss account	Total Equity
	£	£	£	£	£
At 1 January 2018	3,759	7,496,774	(7,085,954)	(78,803)	335,776
Comprehensive expense for the year					
Loss for the financial year	-	-	(187,519)	-	(187,519)
Shares issued during the year	1,002	5,999,461	-	-	6,000,463
Capital reduction	-	(7,496,774)	7,496,774	-	-
Translation adjustment	-	-	-	(40,914)	(40,914)
At 31 December 2018	4,761	5,999,461	223,301	(119,717)	6,107,806

Crisp Thinking Group Limited

Company statement of changes in equity for the year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total Equity
	£	£	£	£
At 1 January 2019	4,761	5,999,461	330,489	6,334,711
Comprehensive expense for the year				
Loss for the financial year	-	-	(1,949,850)	(1,949,850)
Shares issued during the year	156	258,919	-	259,075
At 31 December 2019	4,917	6,258,380	(1,619,361)	4,643,936

Company statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total Equity
	£	£	£	£
At 1 January 2018	3,759	7,496,774	(6,155,001)	1,345,532
Comprehensive expense for the year				
Loss for the financial year	-	-	(1,011,284)	(1,011,284)
Shares issued during the year	1,002	5,999,461	-	6,000,463
Capital reduction	-	(7,496,774)	7,496,774	-
At 31 December 2018	4,761	5,999,461	330,489	6,334,711

	31 December 2018	31 December 2017	31 December 2016	31 December 2015
At 31 December 2018	101,402	104,002	84,002	117,432
Share repurchase	-	(47,000)	47,000	-
Shares issued during the year	50,000	104,000	-	304,000
Loss for the financial year	-	-	(48,110)	(48,110)
Comprehensive expense for the year	-	-	-	-
At 1 January 2018	2,000	47,000	(100,000)	222,000
	€	€	€	€
	called up share capital	share premium account	profit and loss account	Equity

Company statement of changes in equity for the year ended 31 December 2018

	31 December 2018	31 December 2017	31 December 2016	31 December 2015
At 31 December 2018	101,402	104,002	(84,002)	117,432
Share repurchase	-	(47,000)	47,000	-
Shares issued during the year	50,000	104,000	-	304,000
Loss for the financial year	-	-	(48,000)	(48,000)
Comprehensive expense for the year	-	-	-	-
At 1 January 2018	2,000	104,000	84,000	117,432
	€	€	€	€
	called up share capital	share premium account	profit and loss account	Equity

Company statement of changes in equity for the year ended 31 December 2016

Crisp Thinking Group Limited

Consolidated Statement of cash flows For the year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Loss for the financial year	(1,845,442)	(187,519)
Adjustments for:		
Depreciation of tangible assets	278,715	107,455
Interest payable	27,491	46,193
Interest receivable	(3,573)	(695)
Taxation credit	(706,054)	(491,847)
Increase in debtors	(895,735)	(1,608,577)
Increase / (decrease) in creditors	1,936,360	(112,886)
Increase in provisions	89,839	21,329
Net cash used in operating activities	(1,118,399)	(2,226,547)
Cash flows used in investing activities		
Purchase of tangible fixed assets	(1,010,757)	(384,559)
Interest received	3,573	695
Net cash used in investing activities	(1,007,184)	(383,864)
Cash flows from financing activities		
Issue of ordinary shares	259,075	6,075,498
Interest paid	(27,491)	(46,193)
Net cash (Used in)/generated from financing activities	231,584	6,029,305
Net (decrease)/increase in cash and cash equivalents	(1,893,999)	3,418,894
Cash and cash equivalents at beginning of year	3,657,552	354,607
Effects of currency translation on cash and cash equivalents	89,359	(115,949)
Cash and cash equivalents at end of year	1,852,912	3,657,552
Cash and cash equivalents at end of year comprise:		
Cash at bank	1,865,044	3,671,827
Bank overdrafts	(12,132)	(14,275)
	1,852,912	3,657,552

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

1. General information

The principal activity of Crisp Thinking Group Limited ('the company') during the year was the development, sale and delivery of Social Media Safety as a service.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Suite 1, Floor 1, Central Square, 29 Wellington Street, Leeds, England, LS1 4DL.

2. Statement of compliance

The Group and individual financial statements of Crisp Thinking Group Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. This is the first year consolidated financial statements have been prepared as the group is no longer entitled to take advantage of the small group exemption. Accordingly, the consolidated prior year comparatives are unaudited.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions are estimates are significant to the financial statements disclosed in note 4.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

3. Accounting policies (continued)

3.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in its individual financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information is included in the consolidated financial statements of Crisp Thinking Group Limited as at 31 December 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

3.3 Foreign currency

The Group financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

3.4 Turnover

Turnover represents the amount receivable for services provided in the period net of discounts allowed by the company and value added taxes. Contracted services are recognised over the period which they relate to on a straight-line basis. Turnover relating to the setup of services are recognised in the period the contract commences.

3.5 Interest receivable and similar income

Interest receivable is recognised in the profit and loss account using the effective interest method.

3.6 Interest payable and similar charges

Interest payable is charged to the profit and loss account 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 and are subsequently amortised to the profit and loss account.

3.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and amounts owed to and from group undertakings.

Debt instruments, like loans, are initially measured at the present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

3. Accounting policies (continued)

3.7 Financial instruments (continued)

The company's financial assets measured at 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 profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

Forward foreign exchange contracts and derivatives are not basic financial instruments. The company has entered into contracts involving the rights to buy and sell currencies at certain future dates as a hedge against the company's foreign exchange exposure. These contracts have no initial cost; but a positive or negative fair value will accrue from day to day as exchange rates change. Changes in the fair value of these contracts are recognised in the profit and loss account as gains or losses in foreign exchange.

3.8 Tangible 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:

Leasehold improvements	-	20%
Computer equipment	-	33%
Furniture and fixtures	-	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 profit and loss.

Repairs and maintenance are charged to profit and loss during the period in which they are incurred.

3.9 Investments

Investments in subsidiaries are initially measured at cost and subsequently stated at cost less accumulated impairment, if required.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

3.10 Borrowing costs

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

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

3. Accounting policies (continued)

3.11 Leased assets

Leases of assets that transfer all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased assets. Assets are depreciated over their estimated useful life.

The capital element of the lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayments and finance charge on a constant basis.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payment under operating leases are charged to profit and loss as incurred.

3.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within current liabilities.

3.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.14 Research and development

Research and development costs are written off to the profit and loss account as incurred.

3.15 Related party transactions

The company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated.

3.16 Share based payments

The company issues equity-settled share-based payments to certain employees (including directors). Equity-settled share based payments are measured at fair value at the date of the grant.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

3. Accounting policies (continued)

3.17 Share capital

Ordinary shares are classed as equity.

3.18 Exceptional items

Items that are considered to be unusually large or uncommon in the normal course of business are treated as Exceptional items. Such items are identified separately in the financial statements. Management will use their judgement to determine which items to be classified within the exceptional items.

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

The Directors do not consider there to be any significant judgements or key sources of estimation uncertainty within the financial statements, and the only accounting judgements made relate to provisions against accounts receivable and the depreciation charged on fixed assets, details of which are covered within the relevant accounting policies.

5. Turnover

	2019	2018
	£	£
Total turnover	<u>14,768,176</u>	<u>10,877,811</u>

87% of the company's turnover (2018: 81%) is attributable to geographical markets outside the United Kingdom.

UK	13% (2018: 19%)
Europe	19% (2018: 11%)
Rest of the world	68% (2018: 70%)

6. Operating expenses

The operating loss is stated after charging the following amounts:

	2019	2018
	£	£
Staff Costs (note 8)	8,114,226	3,541,606
Depreciation charge for the year (note 12)	278,715	107,455
Foreign exchange losses/(gains)	57,158	(65,203)
Exceptional items (note 11)	-	1,441,221
Other operating expenses	8,691,255	6,336,286
Fees payable to the Company's auditors and their associates for:		
Audit of financial statements	59,500	39,000
Other services	94,900	111,313
	<u>17,295,754</u>	<u>11,511,678</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

7. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	<u>736,632</u>	<u>315,027</u>

2 directors (2018: 1) were part of a long-term pension scheme.

The highest paid director's emoluments were £248,833 (2018: £192,085).

The key management of the company comprises only the directors, whose remuneration is given above.

8. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Development staff	107	25
Administrative staff	22	49
Sales staff	4	8
	<u>133</u>	<u>82</u>

Staff costs during the year:

	2019	2018
	£	£
Wages and salaries	7,249,117	3,172,313
Social security costs	772,705	319,237
Other pension costs	92,404	50,056
	<u>8,114,226</u>	<u>3,541,606</u>

9. Interest payable and similar expenses

	2019	2018
	£	£
Finance lease interest	27,491	-
Interest payable on other loans	-	46,194
	<u>27,491</u>	<u>46,194</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

10. Tax on loss

	2019	2018
	£	£
Corporation tax		
Current tax on loss for the year	(1,309,171)	(509,577)
Adjustment in respect of previous periods	513,278	(3,599)
Total current tax	(795,893)	(513,176)
Deferred tax		
Origination and reversal of timing differences	87,242	19,123
Changes to tax rates	(9,182)	(2,013)
Adjustment in respect of previous periods	11,779	4,219
Total deferred tax	89,839	21,329
Tax on loss	(706,054)	(491,847)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£	£
Loss before tax	(2,551,496)	(679,366)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(484,784)	(129,080)
Effects of:		
Expenses not deductible for tax purposes	1,129,880	844,822
Income not taxable	(2,283,279)	(64,255)
Deductible expenditure including R&D relief	(1,309,171)	(1,184,164)
Losses surrendered for R&D tax credit	1,725,425	667,722
Tax rate changes	(9,182)	(2,011)
Effects of group relief/other relief	-	(509,577)
Losses carried forward	-	(115,924)
Adjustment from previous period	525,057	620
Total tax credit for the year	(706,054)	(491,847)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

11. Exceptional items

	2019	2018
	£	£
Exceptional items	-	1,441,221
	<u>-</u>	<u>1,441,221</u>

Exceptional items relate to costs from the sale of shares.

12. Tangible assets

	Leasehold improvements	Furniture and fittings	Computer equipment	Total
Group	£	£	£	£
Cost or valuation				
At 1 January 2019	215,817	104,740	515,801	836,358
Additions	550,155	221,195	239,407	1,010,757
Disposals	-	(12,534)	(263,235)	(275,769)
At 31 December 2019	<u>765,972</u>	<u>313,401</u>	<u>491,973</u>	<u>1,571,346</u>
Accumulated depreciation				
At 1 January 2019	37,375	31,860	421,401	490,636
Charge for the year	140,857	42,999	94,859	278,715
Disposals	-	(12,534)	(263,235)	(275,769)
At 31 December 2019	<u>178,232</u>	<u>62,325</u>	<u>253,025</u>	<u>493,582</u>
Net book value				
At 31 December 2019	<u>587,740</u>	<u>251,076</u>	<u>238,948</u>	<u>1,077,764</u>
At 31 December 2018	<u>178,442</u>	<u>72,880</u>	<u>94,400</u>	<u>345,722</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

12. Tangible assets (continued)

	Leasehold improvements	Furniture and fittings	Computer equipment	Total
Company	£	£	£	£
Cost or valuation				
At 1 January 2019	215,817	104,740	491,248	811,805
Additions	522,988	221,195	236,124	980,307
Disposals	-	(12,534)	(262,566)	(275,100)
At 31 December 2019	<u>738,805</u>	<u>313,401</u>	<u>464,806</u>	<u>1,517,012</u>
Accumulated depreciation				
At 1 January 2019	37,375	31,860	396,645	465,880
Charge for the year	140,023	42,999	95,034	278,056
Disposals	-	(12,534)	(262,566)	(275,100)
At 31 December 2019	<u>177,398</u>	<u>62,325</u>	<u>229,113</u>	<u>468,836</u>
Net book value				
At 31 December 2019	<u><u>561,407</u></u>	<u><u>251,076</u></u>	<u><u>235,693</u></u>	<u><u>1,048,176</u></u>
At 31 December 2018	<u><u>178,442</u></u>	<u><u>72,880</u></u>	<u><u>94,603</u></u>	<u><u>345,925</u></u>

13. Investments

	2019	2018
	£	£
Cost or valuation	6	6
Net book value	<u><u>6</u></u>	<u><u>6</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Registered address
Crisp Thinking (U.S.) Inc	United States of America	Ordinary	100%	12725 SW Milliamp Way, Ste. 300, Beaverton, Oregon, 97005
Crisp Thinking (UK) Limited	United Kingdom	Ordinary	100%	Suite 1, Floor 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

14. Debtors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	1,909,561	1,702,112	-	-
Amounts owed by group undertakings	-	-	2,167,825	1,714,659
Other debtors	1,676,941	1,185,736	1,631,196	1,180,537
Prepayments & accrued income	331,252	196,590	239,829	148,898
Tax recoverable	1,977,911	1,209,438	2,040,501	1,714,935
	5,895,665	4,293,876	6,079,351	4,759,029

Amounts owed by group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

15. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank overdraft	12,132	14,275	12,132	15,733
Loans	140,173	43,163	140,173	43,163
Taxation and social security	204,078	162,441	204,078	162,441
Trade creditors	526,264	690,440	493,844	725,456
Amounts owed to group undertakings	-	-	416,674	-
Other creditors	278,035	82,581	41,779	1,024
Accruals	1,274,410	510,030	1,177,790	510,030
Deferred income	1,290,109	543,250	-	-
	3,725,201	2,046,180	2,486,470	1,457,847

Amounts owed to group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

The amounts owed by group undertakings are unsecured interest free, have no fixed date for repayment and are repayable on demand.

	2018	2017	2016	2015
Bank overdraft	267,261	275,412	527,511	321,324
Loans	310,101	437,043	490,472	321,324
Taxation and social security	870,402	144,281	870,402	144,281
Trade creditors	422,252	604,088	422,252	422,252
Amounts owed by group undertakings	-	-	472,372	-
Other creditors	238,872	182,281	871,712	420,172
Accruals	172,472	210,072	387,772	330,072
Deferred income	107,082	223,520	-	-
	2,102	8102	2102	8102

12. Creditors: amounts falling due within one year
 The amounts owed by group undertakings are unsecured interest free, have no fixed date for repayment and are repayable on demand.

	2018	2017	2016	2015
Trade debtors	122,252	577,502	-	-
Amounts owed by group undertakings	-	-	222,252	222,252
Other debtors	122,252	222,252	222,252	222,252
Prepayments & accrued income	222,252	222,252	222,252	222,252
Tax recoverable	172,472	822,252	122,252	222,252
	2,102	8102	2102	8102

14. Debtors: amounts falling due within one year

For the year ended 31 December 2018
 Notes to the financial statements

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Notes to the financial statements For the year ended 31 December 2019

16. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other loans	391,307	135,279
Amounts due under finance leases and hire purchase contracts	-	831
	<u>391,307</u>	<u>136,110</u>

During the year, a loan of £353,038, being short term £97,010 and long term £256,028, was taken out. Interest is charged at 9.00%, repayable over a period of 5 years.

17. Deferred Tax

	2019	2018
	£	£
Charged to profit and loss account	89,839	21,329
Total movement during the year	<u>89,839</u>	<u>21,329</u>

The deferred tax balance is made up as follows:

	2019	2018
	£	£
Fixed asset timing differences	(111,168)	(21,329)
	<u>(111,168)</u>	<u>(21,329)</u>

The deferred tax asset on trading losses is not being recognised due to uncertainty over future utilisation of these losses. The deferred tax asset at 31 December 2019 on trading losses amounts to £358,310.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2019

18. Share based payments

Equity-settled share-based payments

The company has a share option scheme and those options are settled in equity once exercised. 1,820 (2018: 1,972) options over non-voting B ordinary shares (nominal value £0.10) have been granted to 44 employees of Crisp Thinking Group Limited and its subsidiaries. No options were granted in 2019 (2018: Nil). During the year 152 options lapsed (2018: 223). The weighted exercise price is £350.00 and the earliest date an option may ordinarily be exercised is on sale. If the options remain unexercised after a period of 7 to 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest unless the directors deem the leaver a good leaver in which case some or all the grant will be retained. No entries have been recorded as they are not material.

Expiry Date	Exercise Price	2019	2018
	£	No.	No.
31 December 2021	350	627	667
31 December 2022	350	355	355
31 December 2026	350	656	698
31 December 2027	350	182	252
		1,820	1,972

19. Called up share capital

	2019	2018
Allotted, called up and fully paid	£	£
2,598,038 A shares of £0.001 each	2,598	2,598
140 B1 shares of £0.10 each	14	14
1,559 B2 shares of £0.10 each	156	-
1,699,365 C shares of £0.001 each	1,699	1,699
45,000 D shares of £0.01 each	450	450
	4,917	4,761

During the year 1,559 B2 shares were issued.

20. Financial instruments

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 December 2019, the outstanding contracts all mature within 12 months (2018: 6 months) of the year-end. The company is committed to sell US\$14,500,000 and receive a fixed sterling amount. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:USD. The company has no interest rate derivative financial instruments (2018: none).

instruments 50 (9. 0000)
 the forward exchange rates for GBP/USD. The company has no interest rate derivative financial
 variation (excluding the, which operates in the). The key assumptions used in valuing the derivatives are
 stated in the notes. The forward currency contracts are measured at fair value, which is determined using
 50 (9. 0000) of the year-end. The company is committed to sell USD 12,000,000 and receive a fixed
 foreign currency receivable. At 31 December 2018, the outstanding contracts all mature within 12 months.
 The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain

50 Financial instruments

During the year 1,200 BS shares were issued:

	2018	2017
42,000 D shares of £0.01 each	420	420
1,000,000 C shares of £0.001 each	1,000	1,000
1,200 BS shares of £0.10 each	120	-
140 BT shares of £0.10 each	14	14
5,200,000 A shares of £0.001 each	5,200	5,200
Warrants, called up and fully paid	2	2
	5016	5018

48 Called up share capital

		2018	2017
31 December 2017	320	185	225
31 December 2018	320	620	608
31 December 2015	320	322	322
31 December 2014	320	651	601
Expiry date	2	140	140
	Exercise Price	5018	5018

All the shares will be retained. No shares have been recorded as they are not material.
 company before the options vest unless the directors deem the relevant a good reason in which case some or
 to 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the
 date an option may ordinarily be exercised is on sale. If the options remain unexercised after a period of 1
 (ii). During the year 123 options issued 2018. 223). The weighted exercise price is £220.00 and the exercise
 employees of Ches Thinking Group Limited and its subsidiaries. No options were granted in 2018 (2018,
 2018: 1 223) options over non-voting B ordinary shares nominal value £0.10 have been granted to 44
 The company has a share option scheme and those options are settled in equity once exercised. 1,000

Equity-settled share-based payments

48 Share based payments

For the year ended 31 December 2018
 Notes to the financial statements

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Notes to the financial statements For the year ended 31 December 2019

21. Commitments under operating leases

	2019	2018
	£	£
Not later than 1 year	306,886	186,979
Later than 1 year and not later than 5 years	1,230,733	747,916
Later than 5 years	27,162	-
	<u>1,564,781</u>	<u>934,895</u>

In accordance with section 35, paragraph 35.10p of FRS 102, in respect of lease incentives on leases in existence on the date of transition to FRS 102 1 January 2014, the company continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

22. Related party transactions

During the year fees of £150,294 (2018: £554,812) were charged to the company by Snowy Road Ventures Limited, a business controlled by AP Burke. At the year end a balance of £10,079 (2018: £9,355) was owed.

During the year a loan was given to AP Burke related to the purchase of shares. At the year end a balance of £210,075 was owed.

At the year end there was an intercompany debtor balance with Crisp Thinking (UK) Ltd of £2,170,216 (2018: £1,182,842).

At the year end there was an intercompany creditor balance with Crisp Thinking (U.S.) Inc of £416,674 (2018: debtor balance of £531,816).

During the year fees of £133,523 (2018: £Nil) were charged to the company by Baird Capital Global Fund Management I LP. At the year end a balance of £1,009,490 (2018: £1,009,490) was owing which is included in other debtors.

During the year there was a recharge of £14,362,747 from Crisp Thinking (UK) Limited to Crisp Thinking Group Limited

During the year there was a cost allocation of £1,299,673 from Crisp Thinking Group Limited to Crisp Thinking (U.S.) Inc.

23. Controlling party

The company is owned by private shareholders and Baird Capital. There is no ultimate controlling party of the company.