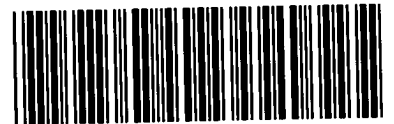


Company Registration No. 09535144 (England and Wales)

SCREENCLOUD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2023

SATURDAY



ACZIOB6X

A07

23/03/2024

#254

COMPANIES HOUSE

SCREENCLOUD LIMITED

COMPANY INFORMATION

Directors	D J Hart L Hubbard M H McDermott
Company number	09535144
Registered office	International House 36 - 38 Cornhill London EC3V 3NG
Auditor	RSM UK Audit LLP Chartered Accountants St Olaf's Hall Church Road Lerwick Shetland Isles ZE1 0FD

SCREENCLOUD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present the strategic report for the year ended 30 September 2023.

Fair review of the business

The company provides software as a service through a cloud-based application for digital signage applications.

Group turnover on continuing operations is up \$4.2m (30%) and gross profit on continuing operations is up \$3.3m (29%) compared to FY22.

The group made an operating loss of \$980k from continuing operations compared to a loss of \$3.2m during FY22. The group ended the financial year with \$1.9m net current liabilities compared to -\$3.5m in FY22.

The group results for the year ended 30th September 2023 and the financial position of the company at that date are set out on pages 9 to 11 of the financial statements.

Principal risks and uncertainties

The company reviews its overall risk profile at each quarterly Board meeting as well as more operational risks at bi-weekly senior leadership meetings. The company keeps a risk matrix, monitoring the likelihood and impact of different categories across the company's departments. This is reviewed on an annual basis. Categories include, but are not limited to: Fraud, system dependency, resource, legal/compliance, solvency, IT security.

Financial Risk - Credit risk

Most customers pay in advance for the services provided. Credit terms are given to customers in more and more cases as the business' customer profile changes to accommodate more enterprise-level customers. The business constantly reviews its credit terms given and any outstanding invoices in a monthly Accounts Receivables review.

Financial Risk - Liquidity risk

The company regularly forecasts cash flow to ensure that sufficient cash is available from trading for future expenses and capital expenditure.

Financial Risk - Transaction risk

90% of the company's customers pay in foreign currency, while most of its cost base is in GBP. This exposes the company to transaction risk. The company uses matching techniques where possible to minimise its risk.

Economic Risk

ScreenCloud Limited's sole hardware supplier in China is a small company. There is a risk that financial or operational distress to them could cause supply chain issues for ScreenCloud's ScOS devices. These contribute less than 5% of group revenue and are not essential to the running of its software.

Development and performance

The company plans to continue its existing operations. Forecasts are performed and presented on a quarterly basis to the board of directors, ensuring growth plans are achievable and adhered to.

SCREENCLOUD LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Key performance indicators

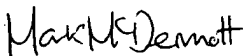
The group has financial KPIs which it monitors on a regular basis at board level and, where relevant, at business unit management level.

	FY23	FY22
Turnover	\$18,145,150	\$13,946,838
Annual recurring revenue (ARR)	\$20,285,020	\$15,354,972
Gross profit margin	81%	82%
EBITDA	\$346,898	-\$2,356,637

EBITDA is earnings before interest, tax, depreciation, amortisation and is also adjusted to remove foreign exchange gains/losses, donations, any gains/losses on disposal of assets, penalties and fines, share based payments and other one-off, non-recurring items.

The group had an increase in ARR of \$4.9m in FY23 compared to FY22. The gross profit margin decreased by 1% due to its hardware device, ScreenCloud OS, being included in the Enterprise plan as well as a heavily subsidised price reduction. Both contributed to an increase in hardware sales ensuring the business continues to operate with strong customer retention rates.

On behalf of the board



M H McDermott
Director

Date: 19/03/24

SCREENCLOUD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their annual report and financial statements for the group for the year ended 30 September 2023.

Principal activities

The principal activity of the company and group continued to be that of providing digital signage software.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

D J Hart
L Hubbard
M H McDermott

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Future developments

ScreenCloud will continue with its growth trajectory and forecasts to be profitable for FY24 and beyond. The company is pushing on with improving its software, taking into account the wider tech industry's importance and reliance on AI, while delivering new features for enterprise level businesses in the next financial years.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

Going concern

The number one risk to the going concern of the company is its ongoing operating losses and historic reliance on external funding. However the company is now cashflow positive at operating level and have prepared company and group forecasts which demonstrated that cash resources are sufficient to cover net cash outflows expected while the company continues its high growth phase over the 12-month period post sign-off.

At the balance sheet date there were net liabilities of \$1,860,116. Convertible loan notes of \$2,305,618 were converted in the year. There is deferred income of \$7,981,886 which is an obligation to provide services rather than a cash liability.

At the time of approving the financial statements, directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future.

SCREENCLOUD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

On behalf of the board

Max McDermott

M H McDermott
Director

Date: 19/03/24

SCREENCLOUD LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company, 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 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 and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCREENCLOUD LIMITED

Opinion

We have audited the financial statements of ScreenCloud Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise of the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 September 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCREENCLOUD LIMITED (CONTINUED)

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 their environment obtained in the course of the audit, we have not identified material misstatements in 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 on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCREENCLOUD LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from internal tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations. We tested the payroll transactions to underlying contract and evaluated the compliance with associated employment and tax legislation.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied. We have used data analytics to test revenue and carried out reliability testing on the underlying data.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Irene Hambleton

Irene Hambleton BAcc CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland Isles, ZE1 0FD

.....
19 March 2024

SCREENCLOUD LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
	Notes	\$	as restated \$
Turnover	4	18,145,150	13,946,838
Cost of sales		(3,399,102)	(2,530,069)
Gross profit		<u>14,746,048</u>	<u>11,416,769</u>
Administrative expenses		(15,728,137)	(14,599,433)
Other operating income		2,371	3,536
Operating loss	8	<u>(979,718)</u>	<u>(3,179,128)</u>
Interest receivable and similar income	10	598	245
Interest payable and similar expenses	11	(134,362)	(167,006)
Other gains and losses	12	(136,469)	(350,173)
Loss before taxation		<u>(1,249,951)</u>	<u>(3,696,062)</u>
Tax on loss	13	6,563	226,032
Loss for the financial year		<u>(1,243,388)</u>	<u>(3,470,030)</u>
Other comprehensive income net of taxation			
Currency translation differences		(351,932)	821,726
Total comprehensive income for the year		<u><u>(1,595,320)</u></u>	<u><u>(2,648,304)</u></u>

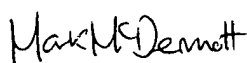
Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

SCREENCLOUD LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

		2023		2022 as restated	
	Notes	\$	\$	\$	\$
Fixed assets					
Negative goodwill	14		(30,840)		(53,969)
Other intangible assets	14		13,937		15,122
Total intangible assets			(16,903)		(38,847)
Tangible assets	15		176,300		185,531
			159,397		146,684
Current assets					
Stocks	18	243,791		230,306	
Debtors	19	3,691,097		2,751,344	
Cash at bank and in hand		5,046,501		3,443,302	
		8,981,389		6,424,952	
Creditors: amounts falling due within one year	20	(10,841,505)		(9,962,447)	
Net current liabilities			(1,860,116)		(3,537,495)
Total assets less current liabilities			(1,700,719)		(3,390,811)
Creditors: amounts falling due after more than one year	21		(316,664)		(805,352)
Net liabilities			(2,017,383)		(4,196,163)
Capital and reserves					
Called up share capital	25		10		9
Share premium account	26		7,281,288		4,241,055
Other reserves	26		2,448,503		1,714,637
Profit and loss reserves	26		(11,747,184)		(10,151,864)
Total equity			(2,017,383)		(4,196,163)

The financial statements were approved by the board of directors and authorised for issue on 19/03/24 and are signed on its behalf by:



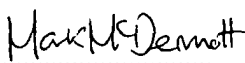
M H McDermott
Director

SCREENCLOUD LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

		2023		2022 as restated	
	Notes	\$	\$	\$	\$
Fixed assets					
Intangible assets	14		13,937		15,122
Tangible assets	15		76,394		53,981
Investments	16		1,140,081		760,247
			<u>1,230,412</u>		<u>829,350</u>
Current assets					
Stocks	18	90,658		40,100	
Debtors	19	1,878,558		5,553,293	
Cash at bank and in hand		2,255,844		1,563,581	
		<u>4,225,060</u>		<u>7,156,974</u>	
Creditors: amounts falling due within one year	20	<u>(8,608,765)</u>		<u>(12,215,430)</u>	
Net current liabilities			<u>(4,383,705)</u>		<u>(5,058,456)</u>
Total assets less current liabilities			<u>(3,153,293)</u>		<u>(4,229,106)</u>
Creditors: amounts falling due after more than one year	21		<u>(316,664)</u>		<u>(805,352)</u>
Net liabilities			<u><u>(3,469,957)</u></u>		<u><u>(5,034,458)</u></u>
Capital and reserves					
Called up share capital	25		10		9
Share premium account	26		7,281,288		4,241,055
Other reserves	26		2,448,503		1,714,637
Profit and loss reserves	26		<u>(13,199,758)</u>		<u>(10,990,159)</u>
Total equity			<u><u>(3,469,957)</u></u>		<u><u>(5,034,458)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was \$1,596,873 (2022 as restated: \$4,963,637 loss). Total comprehensive income for the year was a loss of \$2,209,599 (2022 as restated: \$3,100,189 loss).

The financial statements were approved by the board of directors and authorised for issue on 19/03/24 and are signed on its behalf by:



M H McDermott
Director

SCREENCLOUD LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Share capital \$	Share premium account \$	Share based payment reserves \$	Profit and loss reserves \$	Total \$
As restated for the period ended 30 September 2022:						
Balance at 1 October 2021		9	4,203,806	1,199,442	(7,384,705)	(1,981,448)
Effect of prior period adjustment		-	-	-	(118,855)	(118,855)
As restated		9	4,203,806	1,199,442	(7,503,560)	(2,100,303)
Year ended 30 September 2022:						
Restated loss for the year	3	-	-	-	(3,470,030)	(3,470,030)
Other comprehensive income net of taxation:						
Restated currency translation differences	3	-	-	-	821,726	821,726
Total comprehensive income for the year		-	-	-	(2,648,304)	(2,648,304)
Issue of share capital	25	-	37,249	-	-	37,249
Share based payment	7	-	-	515,195	-	515,195
Balance at 30 September 2022		9	4,241,055	1,714,637	(10,151,864)	(4,196,163)
Year ended 30 September 2023:						
Loss for the year		-	-	-	(1,243,388)	(1,243,388)
Other comprehensive income net of taxation:						
Convertible loan redemption		-	-	-	479,807	479,807
Currency translation differences		-	-	-	(831,739)	(831,739)
Total comprehensive income for the year		-	-	-	(1,595,320)	(1,595,320)
Issue of share capital	25	1	3,040,233	-	-	3,040,234
Share based payment	7	-	-	733,866	-	733,866
Balance at 30 September 2023		10	7,281,288	2,448,503	(11,747,184)	(2,017,383)

SCREENCLOUD LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Share capital \$	Share premium account \$	Share based payment reserves \$	Profit and loss reserves \$	Total \$
As restated for the period ended 30 September 2022:						
Balance at 1 October 2021		9	4,203,806	1,199,442	(7,771,115)	(2,367,858)
Effect of prior period adjustment		-	-	-	(118,855)	(118,855)
As restated		9	4,203,806	1,199,442	(7,889,970)	(2,486,713)
Year ended 30 September 2022:						
Restated loss for the year	3	-	-	-	(4,963,637)	(4,963,637)
Other comprehensive income net of taxation:						
Restated currency translation differences	3	-	-	-	1,863,448	1,863,448
Total comprehensive income for the year		-	-	-	(3,100,189)	(3,100,189)
Issue of share capital	25	-	37,249	-	-	37,249
Share based payment	7	-	-	515,195	-	515,195
Balance at 30 September 2022		9	4,241,055	1,714,637	(10,990,159)	(5,034,458)
Year ended 30 September 2023:						
Loss for the year		-	-	-	(1,596,874)	(1,596,874)
Other comprehensive income net of taxation:						
Convertible loan redemption		-	-	-	479,807	479,807
Currency translation differences		-	-	-	(1,092,532)	(1,092,532)
Total comprehensive income for the year		-	-	-	(2,209,599)	(2,209,599)
Issue of share capital	25	1	3,040,233	-	-	3,040,234
Share based payment	7	-	-	733,866	-	733,866
Balance at 30 September 2023		10	7,281,288	2,448,503	(13,199,758)	(3,469,957)

SCREENCLOUD LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 \$	\$	2022 \$	\$
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27	1,777,123		(1,646,203)	
Interest paid		(134,362)		(167,006)	
Income taxes refunded		147,576		248,302	
		<u>1,790,337</u>		<u>(1,564,907)</u>	
Net cash inflow/(outflow) from operating activities					
		1,790,337		(1,564,907)	
Investing activities					
Purchase of tangible fixed assets		(82,575)		(136,242)	
Proceeds on disposal of tangible fixed assets		5,532		11,147	
Interest received		598		245	
		<u>(76,445)</u>		<u>(124,850)</u>	
Net cash used in investing activities					
		(76,445)		(124,850)	
Financing activities					
Proceeds from issue of shares		853,624		37,249	
Proceeds of new bank loans		-		1,676,214	
Repayment of bank loans		(635,931)		(1,293,067)	
		<u>217,693</u>		<u>420,396</u>	
Net cash generated from financing activities					
		217,693		420,396	
Net increase/(decrease) in cash and cash equivalents					
		1,931,585		(1,269,361)	
Cash and cash equivalents at beginning of year		3,443,302		4,350,870	
Effect of foreign exchange rates		(328,386)		361,793	
		<u>5,046,501</u>		<u>3,443,302</u>	
Cash and cash equivalents at end of year					
		<u>5,046,501</u>		<u>3,443,302</u>	

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Company information

ScreenCloud Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is International House, 36 - 38 Cornhill, London, EC3V 3NG.

The group consists of ScreenCloud Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US dollars, which is the presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;

Basis of consolidation

The consolidated financial statements incorporate those of ScreenCloud Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the fair value of the identifiable assets, liabilities and contingent liabilities acquired over the cost of a business combination is recognised as negative goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

The number one risk to the going concern of the company is its ongoing operating losses and historic reliance on external funding. However the company is now cashflow positive at operating level and have prepared company and group forecasts which demonstrated that cash resources are sufficient to cover net cash outflows expected while the company continues its high growth phase over the 12-month period post sign-off.

At the balance sheet date there were net liabilities of \$1,860,116. This includes share warrants of \$450,000, which are expected to convert to shares, in which case there would be no cash outflow to settle. Furthermore there is deferred income of \$7,981,886 which is an obligation to provide services rather than a cash liability.

At the time of approving the financial statements, directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company generates turnover from service revenues to external parties on the sale of software as a service on a subscription basis. Revenue is recognised when control of these services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company records deferred revenues when cash payments are received or due in advance of its performance.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

Negative goodwill represents the excess of fair value of net assets acquired over the consideration. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	10 years straight line
---------------	------------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises third party invoiced costs, shipping charges and incurred taxes in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity; when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The group operates an equity-settled share-based payment plan, and recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group using the Black Scholes model. The allocation is based on the number of options issued to employees of group companies.

The share options issued to group employees are equity-settled options over shares in the ultimate parent company, ScreenCloud Limited. Vesting conditions are based on continuing employment over the vesting period, and the maximum vesting period remaining at 30 September 2023 was 4 years.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Prior period adjustment

Following a detailed review of the software calculations for deferred revenue, it was noted there were differences on individual calculations, mainly relating to how discounts were applied and when a 24 hour period started. This led to revenue being recorded in the wrong period. There was a calculated revenue difference of \$393,367 for 2022 and of \$122,607 for 2021 offset by associated currency movements of \$50,012 for 2022 and \$3,752 for 2021 to give the cumulative impact of \$118,855 on retained earnings brought forward into 2022 and cumulative impact of \$462,210 on deferred income and retained earnings brought forward into 2023. This has been adjusted to reflect the correct position.

Changes to the consolidated statement of financial position

	As previously reported	Adjustment	As restated at 30 Sep 2022
	\$	\$	\$
Creditors due within one year			
Accruals and deferred income	(5,127,478)	(462,210)	(5,589,688)
Capital and reserves			
Profit and loss reserve	(9,689,654)	(462,210)	(10,151,864)

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

3 Prior period adjustment (Continued)

Changes to the consolidated statement of comprehensive income

	As previously reported	Adjustment	As restated
Year ended 30 September 2022	\$	\$	\$
Turnover	14,340,205	(393,367)	13,946,838
Currency translation differences	771,714	50,012	821,726
	<u> </u>	<u> </u>	<u> </u>

Changes to the company statement of financial position

	As previously reported	Adjustment	As restated at 30 Sep 2022
	\$	\$	\$
Creditors due within one year			
Accruals and deferred income	(2,423,709)	(462,210)	(2,885,919)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss reserve	(10,527,949)	(462,210)	(10,990,159)
	<u> </u>	<u> </u>	<u> </u>

Changes to the company statement of comprehensive income

	As previously reported	Adjustment	As restated
Year ended 30 September 2022	\$	\$	\$
Turnover	9,827,796	(393,367)	9,434,429
Currency translation differences	1,813,436	50,012	1,863,448
	<u> </u>	<u> </u>	<u> </u>

4 Turnover and other revenue

	2023	2022 as restated
	\$	\$
Turnover analysed by class of business		
Sales of software as a service and associated hardware	18,145,150	13,946,838
	<u> </u>	<u> </u>
	2023	2022
	\$	\$
Other revenue		
Interest income	598	245
	<u> </u>	<u> </u>

The geographical analysis of turnover has not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the group.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Office and management	110	118	64	61

	Group 2023 \$	2022 \$	Company 2023 \$	2022 \$
Wages and salaries	9,432,452	9,093,437	5,022,531	4,794,203
Social security costs	691,658	682,023	550,983	534,291
Pension costs	168,157	166,408	116,582	123,222
	<u>10,292,267</u>	<u>9,941,868</u>	<u>5,690,096</u>	<u>5,451,716</u>

6 Directors' remuneration

	2023 \$	2022 \$
Remuneration for qualifying services	430,606	283,703
Company pension contributions to defined contribution schemes	18,699	19,221
	<u>449,305</u>	<u>302,924</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 \$	2022 \$
Remuneration for qualifying services	229,294	174,097
Company pension contributions to defined contribution schemes	12,176	11,346
	<u>241,470</u>	<u>185,443</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022: 2).

7 Share-based payment transactions

Under the group plan, share options are granted at the average price of the company's shares at the grant date. The share options have a graded vesting period, with 1/48 vesting per month. Options are forfeited if the employee leaves the group before they become entitled to exercise the share options.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

7 Share-based payment transactions (Continued)

Group and company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 \$	2022 \$
Outstanding at 1 October 2022	134,233	129,501	10.15	8.21
Granted	62,750	28,000	12.90	17.74
Forfeited	(10,413)	(8,762)	15.41	9.43
Exercised	(11,748)	(6,752)	9.24	5.62
Expired/forfeited	(15,475)	(7,754)	14.23	9.52
Outstanding at 30 September 2023	<u>159,347</u>	<u>134,233</u>	<u>10.58</u>	<u>10.15</u>
Exercisable at 30 September 2023	<u>114,962</u>	<u>44,799</u>	<u>9.17</u>	<u>7.09</u>

The options outstanding at 30 September 2023 had an exercise price ranging from \$4.17 (£3.77) to \$35.39 (£32), and an average vesting period of up to 4 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

Expenses recognised in the year	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Arising from equity settled share based payment transactions	<u>733,866</u>	<u>515,195</u>	<u>354,032</u>	<u>341,477</u>

8 Operating loss

	2023 \$	2022 \$
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	138,669	66,349
Depreciation of owned tangible fixed assets	107,829	114,322
Loss on disposal of tangible fixed assets	372	-
Amortisation of intangible assets	(20,370)	(20,643)
Share-based payments	733,866	515,195
Operating lease charges	<u>673,976</u>	<u>725,992</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9 Auditor's remuneration	2023	2022
Fees payable to the company's auditor and associates:	\$	\$
For audit services		
Audit of the financial statements of the group and company	49,850	37,800
	<u> </u>	<u> </u>
10 Interest receivable and similar income	2023	2022
	\$	\$
Interest income		
Interest on bank deposits	598	245
	<u> </u>	<u> </u>
11 Interest payable and similar expenses	2023	2022
	\$	\$
Other interest on financial liabilities	134,362	167,006
	<u> </u>	<u> </u>
12 Other gains and losses	2023	2022
	\$	\$
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	(136,469)	(350,173)
	<u> </u>	<u> </u>
13 Taxation	2023	2022
	\$	\$
Current tax		
Adjustments in respect of prior periods	(425,400)	(388,763)
Other tax reliefs	418,837	162,731
	<u> </u>	<u> </u>
Total current tax	(6,563)	(226,032)
	<u> </u>	<u> </u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

13 Taxation (Continued)

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2023 \$	2022 as restated \$
Loss before taxation	(1,249,951)	(3,696,062)
Expected tax credit based on the standard rate of corporation tax in the UK of 22.01% (2022: 19.00%)	(275,092)	(702,252)
Tax effect of expenses that are not deductible in determining taxable profit	108,883	141,419
Adjustments in respect of prior years	(249,874)	(388,763)
Other permanent differences	-	(956)
Share based payment charge	(15,674)	-
Effect of overseas tax rates	8,218	(90,136)
Deferred tax not recognised	247,402	818,637
Adjustment in deferred tax to average rate	(29,606)	-
Fixed asset differences	(2,827)	-
Effect of prior period adjustment impacting revenue	202,007	(3,981)
Taxation credit	(6,563)	(226,032)

14 Intangible fixed assets

Group	Negative goodwill \$	Website costs \$	Total \$
Cost			
At 1 October 2022	(115,647)	24,858	(90,789)
Exchange adjustments	-	2,560	2,560
At 30 September 2023	(115,647)	27,418	(88,229)
Amortisation and impairment			
At 1 October 2022	(61,678)	9,736	(51,942)
Amortisation charged for the year	(23,129)	2,759	(20,370)
Exchange adjustments	-	986	986
At 30 September 2023	(84,807)	13,481	(71,326)
Carrying amount			
At 30 September 2023	(30,840)	13,937	(16,903)
At 30 September 2022	(53,969)	15,122	(38,847)

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 Intangible fixed assets (Continued)

Company	Website costs
	\$
Cost	
At 1 October 2022	24,858
Exchange adjustments	2,560
	<u>27,418</u>
At 30 September 2023	27,418
Amortisation and impairment	
At 1 October 2022	9,736
Amortisation charged for the year	2,759
Exchange adjustments	986
	<u>13,481</u>
At 30 September 2023	13,481
Carrying amount	
At 30 September 2023	<u>13,937</u>
At 30 September 2022	<u>15,122</u>

15 Tangible fixed assets

Group	Fixtures and fittings	Computer equipment	Total
	\$	\$	\$
Cost			
At 1 October 2022	130,928	402,212	533,140
Additions	5,766	76,809	82,575
Disposals	-	(5,904)	(5,904)
Exchange adjustments	5,364	40,888	46,252
	<u>142,058</u>	<u>514,005</u>	<u>656,063</u>
At 30 September 2023	142,058	514,005	656,063
Depreciation and impairment			
At 1 October 2022	59,751	287,858	347,609
Depreciation charged in the year	36,070	71,759	107,829
Exchange adjustments	3,028	21,297	24,325
	<u>98,849</u>	<u>380,914</u>	<u>479,763</u>
At 30 September 2023	98,849	380,914	479,763
Carrying amount			
At 30 September 2023	<u>43,209</u>	<u>133,091</u>	<u>176,300</u>
At 30 September 2022	<u>71,177</u>	<u>114,354</u>	<u>185,531</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

15 Tangible fixed assets (Continued)

Company	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost			
At 1 October 2022	41,847	244,781	286,628
Additions	2,457	44,931	47,388
Disposals	-	(5,904)	(5,904)
Exchange adjustments	4,310	33,844	38,154
At 30 September 2023	<u>48,614</u>	<u>317,652</u>	<u>366,266</u>
Depreciation and impairment			
At 1 October 2022	29,234	203,413	232,647
Depreciation charged in the year	8,840	24,638	33,478
Exchange adjustments	2,955	20,792	23,747
At 30 September 2023	<u>41,029</u>	<u>248,843</u>	<u>289,872</u>
Carrying amount			
At 30 September 2023	<u>7,585</u>	<u>68,809</u>	<u>76,394</u>
At 30 September 2022	<u>12,613</u>	<u>41,368</u>	<u>53,981</u>

16 Fixed asset investments

	Notes	Group 2023 \$	2022 \$	Company 2023 \$	2022 \$
Investments in subsidiaries	17	-	-	1,140,081	760,247

Movements in fixed asset investments

Company	Shares in group undertakings \$
Cost or valuation	
At 1 October 2022	760,247
Additions	379,834
At 30 September 2023	<u>1,140,081</u>
Carrying amount	
At 30 September 2023	<u>1,140,081</u>
At 30 September 2022	<u>760,247</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Admax AI Co.,Ltd	181 Soi Prachan Khadi, Sukhumvit 39, Khlong Tan Nuea, Wattana, Bangkok 10110 , Thailand	Digital signage software	Ordinary share capital	100.00
Screencloud, Inc.	500 Westover Dr. #31657, Sanford, NC 27330, USA	Digital signage software	Ordinary share capital	100.00

The actual percentage holding in Admax AI Co. Ltd is 99.9997% but is shown rounded to 100.00% in the table above.

18 Stocks

	Group 2023 \$	2022 \$	Company 2023 \$	2022 \$
Finished goods and goods for resale	243,791	230,306	90,658	40,100

19 Debtors

	Group 2023 \$	2022 \$	Company 2023 \$	2022 \$
Amounts falling due within one year:				
Trade debtors	2,019,579	1,444,408	991,509	787,308
Amounts owed by group undertakings	-	-	-	3,997,280
Other debtors	955,000	77,333	247,706	54,371
Prepayments and accrued income	697,645	1,211,322	639,343	714,334
	<u>3,672,224</u>	<u>2,733,063</u>	<u>1,878,558</u>	<u>5,553,293</u>
Amounts falling due after more than one year:				
Other debtors	<u>18,873</u>	<u>18,281</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,691,097</u>	<u>2,751,344</u>	<u>1,878,558</u>	<u>5,553,293</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

20 Creditors: amounts falling due within one year

		Group 2023	2022 as restated	Company 2023	2022 as restated
	Notes	\$	\$	\$	\$
Bank loans	22	706,013	550,732	706,013	550,732
Trade creditors		856,857	740,905	456,373	342,980
Amounts owed to group undertakings		-	-	2,525,775	5,481,247
Corporation tax payable		206,390	65,377	-	-
Other taxation and social security		293,324	223,301	216,856	161,968
Derivative financial instruments		450,000	2,755,618	450,000	2,755,618
Other creditors		59,953	36,826	48,863	36,966
Accruals and deferred income		8,268,968	5,589,688	4,204,885	2,885,919
		<u>10,841,505</u>	<u>9,962,447</u>	<u>8,608,765</u>	<u>12,215,430</u>

Amounts due to group undertakings are interest free and repayable on demand.

21 Creditors: amounts falling due after more than one year

		Group 2023	2022	Company 2023	2022
	Notes	\$	\$	\$	\$
Bank loans and overdrafts	22	<u>316,664</u>	<u>805,352</u>	<u>316,664</u>	<u>805,352</u>

Included within bank loans and overdrafts are amounts totalling \$1,022,677 (2022: \$1,356,084) secured by way of a fixed and floating charge over the assets of the group. The loan facility agreement includes associated warrants. The warrants have been valued at \$450,000 (2022: \$450,000) and can be exercised over 10 years.

During the year ended 30 September 2023, the convertible loan included within 'Derivative financial instruments' was converted. Further details can be found in note 26.

22 Borrowings

		Group 2023	2022	Company 2023	2022
		\$	\$	\$	\$
Bank loans		<u>1,022,677</u>	<u>1,356,084</u>	<u>1,022,677</u>	<u>1,356,084</u>
Payable within one year		706,013	550,732	706,013	550,732
Payable after one year		<u>316,664</u>	<u>805,352</u>	<u>316,664</u>	<u>805,352</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

23 Financial instruments

	Group 2023 \$	2022 \$	Company 2023 \$	2022 \$
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	450,000	2,755,618	450,000	2,755,618

The fair value of the company's financial instrument has arrived on the basis of a valuation carried out by the directors. The valuation was arrived by reference to market evidence.

The historical cost of the financial instrument is \$nil (2022: \$1,650,152).

24 Retirement benefit schemes

	2023 \$	2022 \$
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	168,157	166,408

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and Company			
	2023 Number	2022 Number	2023 \$	2022 \$
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.0005p each	999,408	999,408	8	8
C Ordinary shares of 0.0005p each	54,204	41,294	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference share capital				
Issued and fully paid				
Series Seed Preferred shares of 0.0005p each	159,823	159,823	1	1
Series Seed Subsequent Preferred shares of 0.0005p each	81,939	-	1	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	241,762	159,823	2	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			2	1
			<u> </u>	<u> </u>
Total equity share capital			10	9

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

25 Share capital (Continued)

Ordinary shares

The Ordinary shares have attached to them full voting and distribution rights. The Ordinary shares do not confer any rights of redemption.

On 18 November 2022, 558 C Ordinary shares with a nominal value of 0.000005p each were allotted for £4,464 cash.

On 9 March 2023, 8,273 C Ordinary shares with a nominal value of 0.000005p each were allotted for a total value of £91,855 cash.

On 23 May 2023, 2,079 C Ordinary shares with a nominal value of 0.000005p each were allotted for a total value of £10,395 cash.

On 1 September 2023, 2,000 C Ordinary shares with a nominal value of 0.000005p each were allotted for a total value of £3,000 cash.

The C Ordinary shares do not confer any voting or redemption rights, but have attached to them full dividend rights.

Preference shares

On liquidation, Series Seed Preferred shares are entitled to the aggregate issue price of the shares before any distributions are made to other equity shares holders. The shares rank pari passu in all other respects.

The Series Seed Preferred shares have attached to them full voting and dividend rights. The Series Seed Preferred shares do not confer any rights of redemption.

On 29 July 2023, 81,939 Series Seed Preferred shares with a nominal value of 0.000005p were allotted for £2,393,752.

26 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Convertible loan notes were converted into shares in the year following a funding round. The fair value of the loan notes at the date of conversion was £2,221,772. On release from the liability, £1,800,665 was recognised as share premium (representing legally the consideration payable to the loan note holders), £373,000 was credited to equity via the profit and loss reserve and £48,107 of interest was settled in cash

Share based payment reserves

The cumulative share-based payment expense.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

27 Cash generated from/(absorbed by) group operations

	2023	2022
	\$	as restated \$
Loss for the year after tax	(1,243,388)	(3,470,030)
Adjustments for:		
Taxation credited	(6,563)	(226,032)
Finance costs	134,362	167,006
Investment income	(598)	(245)
Loss on disposal of tangible fixed assets	372	-
Amortisation and impairment of intangible assets	(20,370)	(20,643)
Depreciation and impairment of tangible fixed assets	107,829	114,322
Other gains and losses	136,469	350,173
Equity settled share based payment expense	733,866	515,195
Movements in working capital:		
Increase in stocks	(13,485)	(208,537)
Increase in debtors	(939,753)	(1,387,151)
Increase in creditors	2,888,382	2,519,739
Cash generated from/(absorbed by) operations	<u>1,777,123</u>	<u>(1,646,203)</u>

28 Analysis of changes in net funds - group

	1 October 2022	Cash flows	Market value movements	Exchange rate movements	30 September 2023
	\$	\$	\$	\$	\$
Cash at bank and in hand	3,443,302	1,931,585	-	(328,386)	5,046,501
Borrowings excluding overdrafts	(1,356,084)	(179,850)	(456,081)	969,338	(1,022,677)
	<u>2,087,218</u>	<u>1,751,735</u>	<u>(456,081)</u>	<u>640,952</u>	<u>4,023,824</u>

29 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023	2022	Company 2023	2022
	\$	\$	\$	\$
Within one year	<u>505,420</u>	<u>211,084</u>	<u>242,614</u>	<u>146,700</u>

SCREENCLOUD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

30 Related party transactions

Remuneration of key management personnel

The aggregate remuneration of key management personnel of the group, including directors, the CFO, CCO and COO is as follows.

	2023	2022
	\$	\$
Group		
Aggregate compensation	1,026,959	725,822
	<u>1,026,959</u>	<u>725,822</u>
	2023	2022
	\$	\$
Company		
Aggregate compensation	819,664	543,578
	<u>819,664</u>	<u>543,578</u>

Transactions with related parties

During the year the group entered into a transaction with an other related party, being the close family of one of the directors, who received 2,000 share options in the year which vested immediately, exercise price £1.50. The value of the transaction was £64,964, or \$79,756 using average rate.

Other information

At the balance sheet date, \$655,256 (2022: \$401,665) was owed to ScreenCloud Limited by a non-wholly owned subsidiary.