

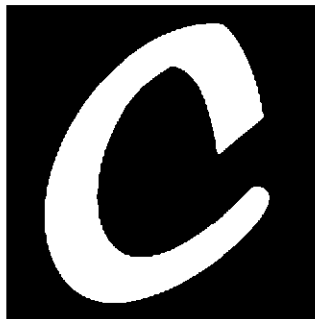
Company Registration No. 04643244 (England and Wales)

JADU

JADU LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021



COTTONS
A Division of JADU Limited

JADU LIMITED

CONTENTS

	Page
Group balance sheet	1
Company balance sheet	2
Group statement of changes in equity	3
Company statement of changes in equity	4
Notes to the financial statements	5 - 19

JADU LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		124,274		214,150
Tangible assets	8		17,093		51,700
			<u>141,367</u>		<u>265,850</u>
Current assets					
Debtors	11	1,077,922		1,014,708	
Cash at bank and in hand		1,412,896		1,195,451	
		<u>2,490,818</u>		<u>2,210,159</u>	
Creditors: amounts falling due within one year	12	<u>(3,787,593)</u>		<u>(3,497,340)</u>	
Net current liabilities			<u>(1,296,775)</u>		<u>(1,287,181)</u>
Total assets less current liabilities			<u>(1,155,408)</u>		<u>(1,021,331)</u>
Creditors: amounts falling due after more than one year	13		<u>(166,667)</u>		<u>(416,667)</u>
Net liabilities			<u>(1,322,075)</u>		<u>(1,437,998)</u>
Capital and reserves					
Called up share capital	16		100		100
Other reserves	17		(65,505)		(109,965)
Profit and loss reserves	17		<u>(1,256,670)</u>		<u>(1,328,133)</u>
Total equity			<u>(1,322,075)</u>		<u>(1,437,998)</u>

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 June 2022 and are signed on its behalf by:

Mr P Morgan
Director

JADU LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	7		94,339		198,746
Tangible assets	8		15,731		50,107
Investments	9		101		101
			<u>110,171</u>		<u>248,954</u>
Current assets					
Debtors	11	2,842,741		2,954,025	
Cash at bank and in hand		1,026,743		807,595	
		<u>3,869,484</u>		<u>3,761,620</u>	
Creditors: amounts falling due within one year	12	<u>(6,632,949)</u>		<u>(5,784,465)</u>	
Net current liabilities			<u>(2,763,465)</u>		<u>(2,022,845)</u>
Total assets less current liabilities			<u>(2,653,294)</u>		<u>(1,773,891)</u>
Creditors: amounts falling due after more than one year	13		<u>(166,667)</u>		<u>(416,667)</u>
Net liabilities			<u>(2,819,961)</u>		<u>(2,190,558)</u>
Capital and reserves					
Called up share capital	16		100		100
Profit and loss reserves	17		<u>(2,820,061)</u>		<u>(2,190,658)</u>
Total equity			<u>(2,819,961)</u>		<u>(2,190,558)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £629,403 (2020 - £1,334,251 loss).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 24 June 2022 and are signed on its behalf by:

Mr P Morgan
Director

Company Registration No. 04643244

JADU LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2019	100	(152,939)	55,126	(97,713)
Year ended 30 September 2020:				
Loss and total comprehensive income for the year	-	-	(1,383,259)	(1,383,259)
Retranslation of opening net assets of overseas operations	-	42,974	-	42,974
Balance at 30 September 2020	100	(109,965)	(1,328,133)	(1,437,998)
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	71,465	71,465
Retranslation of opening net assets of overseas operations	-	44,460	-	44,460
Balance at 30 September 2021	100	(65,505)	(1,256,670)	(1,322,075)

JADU LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2019	100	(856,407)	(856,307)
	<hr/>	<hr/>	<hr/>
Year ended 30 September 2020:			
Loss and total comprehensive income for the year	-	(1,334,251)	(1,334,251)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2020	100	(2,190,658)	(2,190,558)
	<hr/>	<hr/>	<hr/>
Year ended 30 September 2021:			
Loss and total comprehensive income for the year	-	(629,403)	(629,403)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	100	(2,820,061)	(2,819,961)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Jadu Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Smith Way, Enderby, Leicester, Leicestershire, LE19 1SX.

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

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Jadu Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2021. 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At the year end the group is in both a net current liability and net liability position.

The directors have considered post year end trading, current trading levels, post balance sheet events and likely market developments for the foreseeable future including preparing group forecasts and projections, together with the current liquidity position of the group and available bank facilities and have concluded that it is appropriate to continue to prepare the financial statements of the group on the going concern basis.

1.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Licence fee revenue is recognised in full at the onset of the contract when the customer is invoiced.

Hosting, support revenue and other services are recognised over the period of the contract, revenue is released on a monthly basis to reflect the services provided in that month.

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

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

1.5 Research and development expenditure

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

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

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful economic life.

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.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

1.7 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	25% straight line
Computers	33% 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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.9 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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 in the group's balance sheet 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.14 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 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.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.19 Covid-19

COVID-19 has had a negative impact on the current economic climate and its significant economic impact has been considered when preparing the year end accounts.

During the prior year the company has received COVID-19 related Government support which has been accounted for in the profit and loss account as follows:

Coronavirus Job Retention Scheme Grants were recognised under the accrual model, so as to match the grant with the expenditure to which it related.

The Bank Loan is a CBILS Loan for a period of 3 years at interest rate of 2.5% per annum which is fixed for the duration of the loan. During the first twelve months no repayment of capital is required and the UK Government will pay the interest due. Capital repayments have commenced in equal instalments and the aggregate amount payable more than 1 year from the balance sheet date is £166,667.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10,000	10,300
Audit of the financial statements of the company's subsidiaries	7,300	15,520
	<u>17,300</u>	<u>25,820</u>
For other services		
Taxation compliance services	6,300	6,600
All other non-audit services	134	1,040
	<u>6,434</u>	<u>7,640</u>

4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Total	<u>74</u>	<u>77</u>	<u>70</u>	<u>74</u>

5 Directors' remuneration

	2021	2020
	£	£
Remuneration paid to directors	<u>401,804</u>	<u>368,689</u>

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(3,278)	(51,850)
	<u> </u>	<u> </u>

The actual credit for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	68,187	(1,435,109)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	12,956	(272,671)
Tax effect of expenses that are not deductible in determining taxable profit	10,325	24,058
Tax effect of income not taxable in determining taxable profit	(13,267)	-
Adjustments in respect of prior years	-	(28,178)
Research and development tax credit	(31,331)	(17,532)
Foreign exchange differences	1,353	-
Foreign tax charge in prior years	18	-
Research and Development Relief Losses Surrendered	1,023	7,346
Change in deferred tax rate	-	(17,686)
Deferred tax not recognised	15,645	252,813
	<u> </u>	<u> </u>
Taxation credit	(3,278)	(51,850)
	<u> </u>	<u> </u>

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Intangible fixed assets

Group	Goodwill Development		Total
	£	£	£
Cost			
At 1 October 2020	30,272	598,753	629,025
Additions	-	88,790	88,790
Disposals	-	(169,365)	(169,365)
Other changes	(9)	-	(9)
At 30 September 2021	30,263	518,178	548,441
Amortisation and impairment			
At 1 October 2020	30,272	384,603	414,875
Amortisation charged for the year	-	48,657	48,657
Disposals	-	(39,356)	(39,356)
Other changes	(9)	-	(9)
At 30 September 2021	30,263	393,904	424,167
Carrying amount			
At 30 September 2021	-	124,274	124,274
At 30 September 2020	-	214,150	214,150
Company			
Goodwill Development			
	£	£	£
Cost			
At 1 October 2020	30,000	567,064	597,064
Additions	-	64,438	64,438
Disposals	-	(165,208)	(165,208)
At 30 September 2021	30,000	466,294	496,294
Amortisation and impairment			
At 1 October 2020	30,000	368,318	398,318
Amortisation charged for the year	-	41,838	41,838
Disposals	-	(38,201)	(38,201)
At 30 September 2021	30,000	371,955	401,955
Carrying amount			
At 30 September 2021	-	94,339	94,339
At 30 September 2020	-	198,746	198,746

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Intangible fixed assets (Continued)

Intangible assets excluding goodwill for both group and company relate to the capitalisation of costs relating to the development of projects expected to produce revenue or savings in future periods.

8 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 October 2020	132,064	244,440	376,504
Additions	-	6,723	6,723
Disposals	(36,536)	(19,187)	(55,723)
Exchange adjustments	(52)	(191)	(243)
At 30 September 2021	95,476	231,785	327,261
Depreciation and impairment			
At 1 October 2020	113,470	211,334	324,804
Depreciation charged in the year	4,223	23,130	27,353
Eliminated in respect of disposals	(26,233)	(15,562)	(41,795)
Exchange adjustments	(33)	(161)	(194)
At 30 September 2021	91,427	218,741	310,168
Carrying amount			
At 30 September 2021	4,049	13,044	17,093
At 30 September 2020	18,594	33,106	51,700

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Continued)			
8 Tangible fixed assets	Fixtures and fittings	Computers	Total
Company	£	£	£
Cost			
At 1 October 2020	130,446	236,319	366,765
Additions	-	5,833	5,833
Disposals	(36,536)	(18,257)	(54,793)
At 30 September 2021	93,910	223,895	317,805
Depreciation and impairment			
At 1 October 2020	112,356	204,302	316,658
Depreciation charged in the year	4,063	22,243	26,306
Eliminated in respect of disposals	(26,233)	(14,657)	(40,890)
At 30 September 2021	90,186	211,888	302,074
Carrying amount			
At 30 September 2021	3,724	12,007	15,731
At 30 September 2020	18,090	32,017	50,107

9 Fixed asset investments	Group 2021 £	2020 £	Company 2021 £	2020 £
	-	-	101	101

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 October 2020 and 30 September 2021	101
Carrying amount	
At 30 September 2021	101
At 30 September 2020	101

10 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Jadu Creative Limited	England	Ordinary	100.00
Jadu Inc.	USA	Ordinary	100.00
Jadu Software Pty Ltd	Australia	Ordinary	100.00

11 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	677,626	661,017	78,064	146,488
Corporation tax recoverable	26,969	23,672	26,969	23,672
Amounts owed by group	-	-	2,667,051	2,710,697
Other debtors	373,327	330,019	70,657	73,168
	<u>1,077,922</u>	<u>1,014,708</u>	<u>2,842,741</u>	<u>2,954,025</u>

12 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	250,000	83,333	250,000	83,333
Trade creditors	152,666	152,715	112,613	103,859
Amounts owed to group undertakings	-	-	4,867,593	4,315,140
Taxation and social security	391,410	486,645	189,161	271,072
Other creditors	2,993,517	2,774,647	1,213,582	1,011,061
	<u>3,787,593</u>	<u>3,497,340</u>	<u>6,632,949</u>	<u>5,784,465</u>

13 Creditors: amounts falling due after more than one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	<u>166,667</u>	<u>416,667</u>	<u>166,667</u>	<u>416,667</u>

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	416,667	500,000	416,667	500,000
Other loans	-	28,662	-	-
	<u>416,667</u>	<u>528,662</u>	<u>416,667</u>	<u>500,000</u>
Payable within one year	250,000	111,995	250,000	83,333
Payable after one year	<u>166,667</u>	<u>416,667</u>	<u>166,667</u>	<u>416,667</u>

With effect from 18 May 2020, HSBC UK Bank Plc hold a debenture including a Fixed Charge over all present freehold and leasehold property, a First Fixed Charge over book and other debts both present and future as well as a First Floating Charge over all assets and undertaking both present and future.

15 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>82,528</u>	<u>85,086</u>

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

16 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Reserves

Other reserve

The other reserve represents accumulated foreign exchange differences on translating the closing net assets of the group at the closing rate at the balance sheet date and the results of the group's operations at average exchange rate for the year, into the reporting currency of the group.

Profit & loss account

The profit and loss account represents accumulated comprehensive income for the year and prior years.

JADU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The date the audit report was signed was 24th June 2022.

The senior statutory auditor was Callum Veasey ACA MAAT and the auditor was Cottons Accountants LLP.

19 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption under FRS 102 Section 33 *Related Party Disclosures* from disclosing transactions with wholly owned members of the group.

During the year the company traded with Jadu Global Software Limited, a company controlled by director S K Kika. Expenses incurred on behalf of the company were recharged amounting to £334 (2020: £1,688) and sales of £20,000 (2020: £20,000) were made to Jadu Global Software Limited. The amounts payable to Jadu Global Software Limited at the year end amounted to £21,028 (2020: £18,129).

20 Controlling party

The company is controlled by S K Kika.

21 Auditor's liability limitation agreement

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 4th November 2021.

Liability is limited to the lesser of 30 times the audit fee or £300,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 30th September 2021.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.