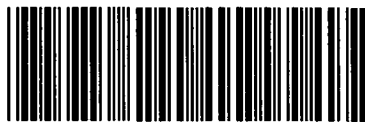


Company Registration No. 08264116 (England and Wales)

LOYALTYLION LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023
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LOYALTYLION LTD

CONTENTS

	Page
Consolidated statement of financial position	2
Company statement of financial position	3
Consolidated statement of changes in equity	4
Company statement of changes in equity	5
Notes to the financial statements	6 - 16

LOYALTYLION LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing 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.

LOYALTYLION LTD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	5		111,484		139,888
Current assets					
Debtors	8	591,074		363,775	
Cash at bank and in hand		3,856,771		3,759,176	
		<u>4,447,845</u>		<u>4,122,951</u>	
Creditors: amounts falling due within one year	9	<u>(1,996,075)</u>		<u>(1,769,363)</u>	
Net current assets			<u>2,451,770</u>		<u>2,353,588</u>
Total assets less current liabilities			<u>2,563,254</u>		<u>2,493,476</u>
Creditors: amounts falling due after more than one year	10		(3,063,693)		-
Provisions for liabilities	12		-		(14,549)
Net (liabilities)/assets			<u>(500,439)</u>		<u>2,478,927</u>
Capital and reserves					
Called up share capital	13		2,641		2,593
Share premium account			7,187,016		7,187,016
Share based payment reserve			3,204,922		1,339,820
Profit and loss reserves			<u>(10,895,018)</u>		<u>(6,050,502)</u>
Total equity			<u>(500,439)</u>		<u>2,478,927</u>

The directors of the group have elected not to include a copy of the income statement 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 30 August 2023 and are signed on its behalf by:

DocuSigned by:

Charles Casey

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C Casey

Director

LOYALTYLION LTD**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	5	111,483		139,887	
Investments	6	1		1	
		<u>111,484</u>		<u>139,888</u>	
Current assets					
Debtors	8	899,020	416,325		
Cash at bank and in hand		3,839,522	3,751,577		
		<u>4,738,542</u>	<u>4,167,902</u>		
Creditors: amounts falling due within one year	9	(1,996,075)	(1,764,634)		
Net current assets		<u>2,742,467</u>		<u>2,403,268</u>	
Total assets less current liabilities		<u>2,853,951</u>		<u>2,543,156</u>	
Creditors: amounts falling due after more than one year	10	(3,063,693)	-		
Provisions for liabilities	12	-	(14,549)		
Net (liabilities)/assets		<u>(209,742)</u>		<u>2,528,607</u>	
Capital and reserves					
Called up share capital	13	2,641	2,593		
Share premium account		7,187,016	7,187,016		
Share based payment reserve		3,204,922	1,339,820		
Profit and loss reserves		(10,604,321)	(6,000,822)		
Total equity		<u>(209,742)</u>		<u>2,528,607</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 £4,603,499 (2022 - £3,621,981 loss).

These financial statements have been prepared 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 30 August 2023 and are signed on its behalf by:

DocuSigned by:

Charles Casey
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C Casey
Director

LOYALTYLION LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		2,593	7,239,016	729,481	(2,378,841)	5,592,249
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		-	-	-	(3,671,661)	(3,671,661)
Share based payment charge		-	-	610,339	-	610,339
Transaction costs		-	(52,000)	-	-	(52,000)
Balance at 31 March 2022		2,593	7,187,016	1,339,820	(6,050,502)	2,478,927
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		-	-	-	(4,844,516)	(4,844,516)
Issue of share capital	13	48	-	-	-	48
Share based payment charge		-	-	1,865,102	-	1,865,102
Balance at 31 March 2023		2,641	7,187,016	3,204,922	(10,895,018)	(500,439)

LOYALTYLION LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		2,593	7,239,016	729,481	(2,378,841)	5,592,249
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		-	-	-	(3,621,981)	(3,621,981)
Share based payment charge		-	-	610,339	-	610,339
Transaction costs		-	(52,000)	-	-	(52,000)
Balance at 31 March 2022		2,593	7,187,016	1,339,820	(6,000,822)	2,528,607
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		-	-	-	(4,603,499)	(4,603,499)
Issue of share capital	13	48	-	-	-	48
Share based payment charge		-	-	1,865,102	-	1,865,102
Balance at 31 March 2023		2,641	7,187,016	3,204,922	(10,604,321)	(209,742)

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

LoyaltyLion Ltd ("the Company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Hubhub Hubhub Loyaltylion, 20 Farringdon Street, London, United Kingdom, EC4A 4EN.

The group consists of LoyaltyLion Ltd and all of its subsidiaries.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of LoyaltyLion Ltd 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 31 March 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.

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 cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as 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.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for at least the next 12 months. Management have prepared cashflow forecasts including plausible downside scenarios and together with the available debt facility as a result of fundraising during the period, the directors are satisfied that the group has sufficient working capital to continue to adopt the going concern basis of accounting in preparing the financial statements for at least 12 months from the signing of the financial statements.

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Turnover

Turnover is recognised over the life of the contract on a straight line basis from the contract start date.

Services provided to the client which at the reporting date have not been billed have been recognised as turnover and are included in debtors as accrued income. Services not yet provided to the client which at the balance sheet date have been billed are not recognised as turnover and are instead included in creditors as deferred income.

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:

Office and computer equipment	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 credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities 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 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.

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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, 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and debentures 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.

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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.

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 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. 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.

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.

2 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Total	96	92	94	90
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Share-based payment transactions

Group	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	2,163,382	1,891,399	0.56	0.33
Granted	2,175,375	297,712	1.96	2.08
Forfeited	(112,679)	(25,729)	1.48	1.00
Outstanding at 31 March 2023	<u>4,226,078</u>	<u>2,163,382</u>	<u>1.26</u>	<u>0.56</u>
Exercisable at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	2,163,382	1,891,399	0.56	0.33
Granted	2,175,375	297,712	1.96	2.08
Forfeited	(112,679)	(25,729)	1.48	1.00
Outstanding at 31 March 2023	<u>4,226,078</u>	<u>2,163,382</u>	<u>1.26</u>	<u>0.56</u>
Exercisable at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2023 had an exercise price of £0.58, and a remaining contractual life of 2 years.

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	<u>1,865,102</u>	<u>610,339</u>	<u>1,865,102</u>	<u>610,339</u>

4 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	<u>(110,180)</u>	<u>-</u>

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(28,077)	-
Adjustment in respect of prior periods	13,528	-
	<u> </u>	<u> </u>
Total deferred tax	(14,549)	-
	<u> </u>	<u> </u>
Total tax credit	(124,729)	-
	<u> </u>	<u> </u>

The company is in the process of submitting an R&D claim for the current year which will be recognised on receipt of the claim.

At the reporting date, the group had tax losses not recognised and available for carry forward loss relief totalling £5,131,716 (2022: £3,178,994).

5 Tangible fixed assets

Group	Office and computer equipment £
Cost	
At 1 April 2022	300,315
Additions	59,761
Disposals	(83,528)
	<u> </u>
At 31 March 2023	276,548
	<u> </u>
Depreciation and impairment	
At 1 April 2022	160,427
Depreciation charged in the year	82,614
Eliminated in respect of disposals	(77,977)
	<u> </u>
At 31 March 2023	165,064
	<u> </u>
Carrying amount	
At 31 March 2023	111,484
	<u> </u>
At 31 March 2022	139,888
	<u> </u>

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Tangible fixed assets (Continued)

Company	Office and computer equipment £
Cost	
At 1 April 2022	300,315
Additions	59,761
Disposals	(83,528)
At 31 March 2023	<u>276,548</u>
Depreciation and impairment	
At 1 April 2022	160,428
Depreciation charged in the year	82,614
Eliminated in respect of disposals	(77,977)
At 31 March 2023	<u>165,065</u>
Carrying amount	
At 31 March 2023	<u>111,483</u>
At 31 March 2022	<u>139,887</u>

6 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	7	-	-	1	1

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2022 and 31 March 2023	1
Carrying amount	
At 31 March 2023	<u>1</u>
At 31 March 2022	<u>1</u>

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Subsidiaries

At 31 March 2023, LoyaltyLion Ltd owned 100% of the share capital of LoyaltyLion Inc, a company incorporated in the United States. The registered office is 1209 Orange Street, Corporation Trust Center, City of Wilmington, County of New Castle, 19801 Delaware.

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
LoyaltyLion Inc	United States	Digital Marketing	Ordinary Share Capital	100.00

8 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	72,030	34,543	72,030	34,543
Corporation tax recoverable	110,180	-	110,180	-
Amounts owed by group	-	-	307,946	52,549
Other debtors	408,864	329,232	408,864	329,233
	<u>591,074</u>	<u>363,775</u>	<u>899,020</u>	<u>416,325</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Creditors: amounts falling due within one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Trade creditors	290,415	171,833	290,415	169,092
Taxation and social security	235,549	247,544	235,549	247,544
Other creditors	946,755	999,354	946,755	999,354
Accruals	523,356	350,632	523,356	348,644
	<u>1,996,075</u>	<u>1,769,363</u>	<u>1,996,075</u>	<u>1,764,634</u>

10 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	11	<u>3,063,693</u>	<u>-</u>	<u>3,063,693</u>	<u>-</u>

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Borrowings

	Group 2023 £	2022 £	Company 2023 £	2022 £
Debenture loans	-	140,505	-	140,505
Bank loans	3,063,693	-	3,063,693	-
	<u>3,063,693</u>	<u>140,505</u>	<u>3,063,693</u>	<u>140,505</u>
Payable within one year	-	140,505	-	140,505
Payable after one year	<u>3,063,693</u>	<u>-</u>	<u>3,063,693</u>	<u>-</u>

In April 2022, a \$12m debt facility was taken out, of which \$4m was drawn down.

On 25 September 2019, the parent company issued 203,842 warrant shares to the lender, exercisable by the warrant holder 10 years from issue. At the balance sheet date, these warrants have not been exercised.

On 5 April 2022 the parent company issued further 372,141 warrant shares in relation to the new debt facility. The warrants are exercisable by the warrant holder within 10 years from issue. At the balance sheet date, these warrants have not been exercised.

The loan is secured by a fixed and floating charge over the assets of the company and payable in instalments commencing April 2024 and concluding in April 2027.

12 Provisions for liabilities

	Group 2023 £	2022 £	Company 2023 £	2022 £
Deferred tax liabilities	-	14,549	-	14,549
	<u>-</u>	<u>14,549</u>	<u>-</u>	<u>14,549</u>

13 Share capital

	2023 Number	Group and Company 2022		2022 £
Ordinary share capital Issued and fully paid		Number	£	
Ordinary shares of 0.01p each	21,593,636	21,593,636	2,159	2,159
Series A shares of 0.01p each	4,334,011	4,334,011	434	434
Growth shares of 0.01p each	483,086	-	48	-
	<u>26,410,733</u>	<u>25,927,647</u>	<u>2,641</u>	<u>2,593</u>

Series A shares rank pari passu with Ordinary share capital in respect of dividends and voting rights, and rank above Ordinary shares and Growth shares in sale, merger and liquidation preferences.

The Growth shares do not carry any voting rights, whereas rank pari passu with Series A shares and Ordinary share capital in respect of dividends, where a dividend has been declared over Growth shares.

LOYALTYLION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Controlling party

In the opinion of the directors there is deemed to be no controlling party.

15 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 senior statutory auditor was Saxon Moseley.
The auditor was RSM UK Audit LLP.