

Registered Company No: 06961274

Crowd Vision Limited

Report and Financial Statements

31 December 2019



Corporate information

Directors Wayne Arthur (Appointed 5 April 2021)
John Rankin (Appointed 5 April 2021)
Koreen White (Appointed 5 April 2021)
James Kowalishin (Resigned 5 April 2021)
Declan Collier (Resigned 24 January 2020)
Jason Vassiliades (Resigned 5 April 2021)
Darcy Wilson (Resigned 5 April 2021)
Fiona Strens (Resigned 12 September 2019)

Auditors Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers HSBC

Solicitors Harrison Clark Rickerbys

Registered office 85 Great Portland Street
London
W1W 7LT

Directors' report

Registered No. 06961274

The Directors present their report for the year ended 31 December 2019.

Principal activity

The principle activity of the group and company is the provision of automated people tracking software solutions and analytics.

Directors of the company

The directors who served during the year and up to the date of approval of the annual report and financial statements are shown below:

Wayne Arthur – appointed 5 April 2021
John Rankin – appointed 5 April 2021
Koreen White – appointed 5 April 2021
Fiona Strens – resigned 12 September 2019
James Kowalishin – resigned 5 April 2021
Declan Collier – resigned 24 January 2020
Jason Vassiliades – resigned 5 April 2021
Darcy Wilson – resigned 5 April 2021

Results and dividends

Sales for the year increased to £1,562,705 (2018 £1,399,995), driven by deployments and new contract wins. The loss for the year amounted to £1,913,240 (2018 - loss £4,165,719). No dividend has been recommended by the Directors in the current period (2018 - £nil).

In May 2020 the company acquired WirelessWerx, Inc. (doing business as ilinside), a company based in the USA, strengthening the group's product range and global footprint.

In April 2021 the Crowd Vision group was acquired by Skyfii Limited, a company listed on the Australian Stock Exchange. Following this acquisition, management have formulated a strategic plan which envisages significant new investment in Crowd Vision's technology and operations, and which will see Crowd Vision's products and people form an integral part of the Skyfii group.

Going Concern

The group and company have incurred losses in the year ended and cumulatively to 31 December 2019 as indicated in the group and company financial statements. At 31 December 2019 the group and company had net current liabilities (excluding non-current debtors) of £423,688 and £416,563, respectively. Further, the group's current and prospective customers are principally in sectors related to air travel, leisure and large events, all of which have been significantly impacted by the COVID-19 pandemic.

In April 2021 the company was acquired by Skyfii Limited, a company listed on the Australian Stock Exchange. In June 2021 Skyfii Limited provided the company with a \$1.25m loan, with repayment of principal and interest not due until 31 December 2022.

The Directors have assessed the ability of the group and company to continue as a going concern mindful of the above matters. In particular, the Directors have prepared cash flow forecasts covering the period to 30 June 2022. These financial forecasts do not assume any requirement for further funding or reliance on financial support from Skyfii Limited. Although the group and company have existing contracts with customers, these forecasts assume significant growth in the group and company's revenues from new customer contracts. While the Directors are confident in achieving the assumed growth in forecasted revenues, they accept that there remains significant uncertainty within the air travel, leisure and large events sectors such that the success in winning new contracts, or indeed timing of delivery and payment if successful, remains uncertain. Consequently, the Directors have concluded this constitutes a material uncertainty which may cast significant doubt over the ability of the group and company to continue as a going concern for the period to 30 June 2022.

At this time the Directors have a reasonable expectation the group and company will achieve the revenues assumed in the Directors' cash flow forecasts, or can take action in respect of controllable costs to compensate for any shortfall in revenues assumed. In addition, the Directors have assessed the financial position of Skyfii Limited and made enquiries of its directors, some of whom are common to the board of the company. Based on this the Directors of the company believe that Skyfii Limited has the ability and intention to provide further support if it is required. Hence the Directors have concluded that there is a reasonable prospect the group and company will be able to continue in operational existence for the foreseeable future. Consequently, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the group or company were unable to continue as a going concern.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. Also, the directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies' subject to the small companies' regime within Part 15 of the Companies Act 2006.

By order of the board:

Koreen White
Director
30 June 2021

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 group and the company and of the profit or loss of the group for that period.

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

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent; and
- ▶ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the 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 CROWD VISION LIMITED

Opinion

We have audited the financial statements of Crowd Vision Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Group Income Statement, the Group statement of comprehensive income, the Group and parent company Statement of changes in equity, Group and parent company Statement of financial position, Group statement of cash flows, and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that there is uncertainty over the ability of the group and company to achieve the growth in revenues that are forecast to enable the group and company to continue as a going concern. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWD VISION LIMITED

Other information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWD VISION LIMITED

Responsibilities of directors - continued

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.

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.

Ernst + Young LLP

Michael Christie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
30 June 2021

Group Income Statement

for the period ended 31 December 2019

		2019	2018
	Notes	£	£
Turnover		1,562,705	1,399,995
Cost of sales		(1,319,796)	(1,368,814)
Gross profit		242,909	31,181
Administrative expenses		(2,302,568)	(3,400,827)
Other operating income	2	104,613	126,519
Group operating loss	3	(1,955,046)	(3,243,127)
Finance income	5	91,145	-
Finance costs	5	(58,666)	(230,981)
Net loss on financial liabilities at fair value through profit and loss account	6	-	(691,611)
Loss before tax		(1,922,567)	(4,165,719)
Tax credit		9,327	-
Loss for the financial year		(1,913,240)	(4,165,719)

The results above are from continuing operations.

Group statement of comprehensive income

for the year ended 31 December 2019

		2019	2018
	Notes	£	£
Loss for the financial year		(1,913,240)	(4,165,719)
Exchange difference on retranslation of foreign operations		(9,980)	9,114
Total comprehensive loss for the year		(1,923,218)	(4,156,605)

Group and parent company Statement of changes in equity

for the period ended 31 December 2019

Group

	<i>Called up share capital</i>	<i>Preferred shares</i>	<i>Share premium</i>	<i>Convertible Debt – Equity Component</i>	<i>Profit and loss account</i>	<i>Total shareholders ' deficit</i>
	£	£	£	£	£	£
As at 31 December 2018	694	394	12,410,206	-	(14,073,023)	(1,661,729)
Total comprehensive loss in the period	-	-	-	-	(1,923,218)	(1,923,218)
Issue of convertible debt	-	-	-	54,989	-	54,989
As at 31 December 2019	694	394	12,410,206	54,989	(15,996,241)	(3,529,958)

Parent

	<i>Called up share capital</i>	<i>Preferred shares</i>	<i>Share premium</i>	<i>Convertible Debt – Equity Component</i>	<i>Profit and loss account</i>	<i>Total shareholders ' deficit</i>
	£	£	£	£	£	£
As at 31 December 2018	694	394	12,410,206	-	(14,272,676)	(1,861,382)
Total comprehensive loss in the period	-	-	-	-	(1,980,962)	(1,980,962)
Issue of convertible debt	-	-	-	54,989	-	54,989
As at 31 December 2019	694	394	12,410,206	54,989	(16,253,638)	(3,787,355)

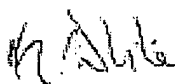
Group and parent company Statement of financial position

As at 31 December 2019

		<i>Group</i>		<i>Parent</i>	
	<i>Notes</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
		£	£	£	£
Fixed assets					
Tangible assets	8	351,015	356,941	86,485	229,268
Investments	9	-	-	7	7
		<u>351,015</u>	<u>356,941</u>	<u>86,492</u>	<u>229,275</u>
Current assets					
Debtors: due within 1 year	10	503,690	439,677	495,196	439,669
Debtors: due after 1 year	10	131,949	158,283	131,949	158,283
Stocks	11	61,497	-	-	-
Cash at bank and in hand		144,472	810,705	137,728	777,439
		<u>841,608</u>	<u>1,408,665</u>	<u>764,873</u>	<u>1,375,391</u>
Creditors: amounts falling due within one year	12	<u>(1,133,347)</u>	<u>(870,401)</u>	<u>(1,049,487)</u>	<u>(909,113)</u>
Net current (liabilities)/assets		<u>(291,739)</u>	<u>379,981</u>	<u>(284,614)</u>	<u>307,994</u>
Total assets less current liabilities		<u>59,276</u>	<u>895,205</u>	<u>(198,122)</u>	<u>695,552</u>
Creditors: amounts falling due after one year	13	<u>(3,589,234)</u>	<u>(2,556,934)</u>	<u>(3,589,233)</u>	<u>(2,556,934)</u>
Net liabilities		<u>(3,529,958)</u>	<u>(1,661,729)</u>	<u>(3,787,355)</u>	<u>(1,861,382)</u>
Capital and reserves					
Called up share capital	15	694	694	694	694
Preferred shares		394	394	394	394
Share premium account		12,410,206	12,410,206	12,410,206	12,410,206
Convertible debt – equity Component		54,989	-	54,989	-
Profit and loss account		<u>(15,996,241)</u>	<u>(14,073,023)</u>	<u>(16,253,638)</u>	<u>(14,272,676)</u>
Shareholders' deficit		<u>(3,529,958)</u>	<u>(1,661,729)</u>	<u>(3,787,355)</u>	<u>(1,861,382)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

The financial statements were approved by the board of directors on 30 June 2021 and were signed on its behalf by:



Koreen White
Director
30 June 2021

Notes to the Financial Statements

1. Accounting policies

Statement of compliance

Crowd Vision Limited is a limited liability company incorporated in England. The Registered Office is 85 Great Portland Street, London W1W 6LT. The Group's financial statements have been prepared in accordance with the small companies regime of the Companies Act 2006 and the small entities provisions of FRS 102 Section 1A.

Basis of preparation

The financial statements of Crowd Vision Limited were authorised for issue by the Board of Directors on 30 June 2021. The financial statements are prepared under the historical cost convention unless otherwise specified and presented in Sterling which is the functional currency of the company and rounded to nearest pound sterling.

Going concern

The group and company have incurred losses in the year ended and cumulatively to 31 December 2019 as indicated in the group and company financial statements. At 31 December 2019 the group and company had net current liabilities (excluding non-current debtors) of £423,688 and £416,563, respectively. Further, the group's current and prospective customers are principally in sectors related to air travel, leisure and large events, all of which have been significantly impacted by the COVID-19 pandemic.

In April 2021 the company was acquired by Skyfii Limited, a company listed on the Australian Stock Exchange. In June 2021 Skyfii Limited provided the company with a \$1.25m loan, with repayment of principal and interest not due until 31 December 2022.

The Directors have assessed the ability of the group and company to continue as a going concern mindful of the above matters. In particular, the Directors have prepared cash flow forecasts covering the period to 30 June 2022. These financial forecasts do not assume any requirement for further funding or reliance on financial support from Skyfii Limited. Although the group and company have existing contracts with customers, these forecasts assume significant growth in the group and company's revenues from new customer contracts. While the Directors are confident in achieving the assumed growth in forecasted revenues, they accept that there remains significant uncertainty within the air travel, leisure and large events sectors such that the success in winning new contracts, or indeed timing of delivery and payment if successful, remains uncertain. Consequently, the Directors have concluded this constitutes a material uncertainty which may cast significant doubt over the ability of the group and company to continue as a going concern for the period to 30 June 2022.

At this time the Directors have a reasonable expectation the group and company will achieve the revenues assumed in the Directors' cash flow forecasts, or can take action in respect of controllable costs to compensate for any shortfall in revenues assumed. In addition, the Directors have assessed the financial position of Skyfii Limited and made enquiries of its directors, some of whom are common to the board of the company. Based on this the Directors of the company believe that Skyfii Limited has the ability and intention to provide further support if it is required. Hence the Directors have concluded that there is a reasonable prospect the group and company will be able to continue in operational existence for the foreseeable future. Consequently, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the group or company were unable to continue as a going concern.

Basis of consolidation

The group financial statements consolidate the financial statements of Crowd Vision Limited and all its subsidiary undertakings drawn up to 31 December each period. No profit and loss account is presented for Crowd Vision Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the directors' opinions, there are no significant judgements, estimates and assumptions made about the recognition of assets, liabilities, incomes, expenses and in the application of accounting policies within the group and company financial statements.

Revenue

Revenue from services rendered are recognised based on the percentage of completion method if the outcome of the transaction can be estimated reliably. The outcome of certain projects can only be reliably estimated when services are considered delivered being when clients sign compliance/acceptance reports.

Revenue from license fees earned are recognised on the accruals basis, typically straight-line over the term of the license. Certain licenses granted are non-cancellable and have no continuing performance obligations, these licenses are recognised at the point of delivery.

Revenue is measured at the fair value of the consideration receivable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The carrying values of tangible fixed assets are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, over their estimated useful lives in equal annual instalments over the following periods:

IT equipment	-	3 years
Fixtures and fittings	-	3 years

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Government grants

Revenue grants are credited to profit and loss at the same period as the expenditure to which they relate.

Stocks

Stocks are stated at lower of cost and net realisable value. Cost is defined as the expenditure which has been incurred in the normal course of business in bringing the product to its present location and condition. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials	-	purchase cost on a first-in, first-out
Work in progress	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Impairment of non-financial assets

Where there are indications of impairment of assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation.

Share-based payments

The cost of equity-settled transactions is measured by looking at fair value of the equity instruments granted and is recognised as an expense over the vesting period.

Foreign currencies

The financial statements of each group entity are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements the results and financial position of each group entity are translated into Sterling, which is the presentational currency for the consolidated financial statements. For the purposes of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expenses are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

In preparing the financial statements of the parent company, transactions in currencies other than the entity's functional currency are recognized at the rate of exchange prevailing on the date of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value are denominated in foreign currencies and translated at the rates prevailing when the fair value was determined.

Exchange differences are recognised in the income statement in the period in which they arise.

Research and development

Expenditure on research and development is written off as incurred.

Investments

The Company recognises its investments in subsidiaries at cost being the fair value of consideration paid, less provision for impairment where appropriate.

Leasing

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Taxation

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

The current tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement, because it excludes items of income or expenditure that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Groups liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

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

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

The group and company's preferred shares have been accounted for as such a hybrid instrument.

2. Other operating income

	2019	2018
	£	£
Research and development tax credit	75,811	97,230
Government grant	24,000	24,000
Distribution from wound-up subsidiary	4,802	-
Travel disbursement	-	5,289
	<u>104,613</u>	<u>126,519</u>

3. Group operating loss

This is stated after charging/(crediting):

	2019	2018
	£	£
Research and development costs	775,713	1,000,513
Depreciation of owned assets	258,533	200,782
Foreign exchange differences	(45,533)	(120,320)
Operating lease rentals – land and buildings	172,960	204,535
Auditors' remuneration	25,000	26,500

Auditors' remuneration of £25,000 related fully to the audit of the financial statements. No other services were provided by the auditors.

4. Staff costs

(a) Staff costs

	2019	2018
	£	£
Wages and salaries	1,553,663	1,974,127
Social security costs	120,742	200,782
Pension costs	96,671	110,661
	<u>1,771,075</u>	<u>2,285,570</u>

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

	2019	2018
Research and development	6	7
Administration	18	25
	24	32

(b) Directors' remuneration

Total Directors' remuneration of £45,660 (2018 - £137,970) was paid in the year. Four Directors were employees/consultants of Highstar Capital and were paid by Highstar Capital. The amount of their remuneration that relates to services as directors of the company is negligible.

5. Finance costs and Finance income

Finance costs consist of the interest expense in respect of the convertible loan notes issued during the year.

Finance income relates to the gain on retranslation at year-end of the financial liability in respect of the cumulative preferred dividends (see Note 12).

6. Net loss on financial liabilities at fair value through profit and loss account

	2019	2018
	£	£
Net loss on convertible loan at fair value through profit and loss account	-	691,611

The convertible loan was issued with an interest rate of 8%. The terms of the loan stated that a 25% premium was due on conversion of the loan if certain conditions were met. This led to the loan being recognised as other financial instrument as per section 12 of FRS 102 requiring it to be carried at fair value through profit and loss account. During the prior year the loan was repaid at the amount of its fair value at that time using the proceeds received on receipt of the issue of preferred shares.

7. Loss attributable to the parent company

The loss dealt with in the financial statements of the parent company is £1,980,962 (2018 -£4,224,595).

8. Tangible assets

Group

	<i>IT Equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2019	755,613	6,092	761,705
Additions	245,742	2,284	248,026
At 31 December 2019	<u>1,001,355</u>	<u>8,376</u>	<u>1,009,731</u>
Depreciation:			
At 1 January 2019	398,982	5,781	404,763
Charge in the period	253,511	441	253,952
At 31 December 2019	<u>652,494</u>	<u>6,222</u>	<u>658,716</u>
Net book amount:			
At 31 December 2019	<u><u>348,861</u></u>	<u><u>2,154</u></u>	<u><u>351,015</u></u>

Company

	<i>IT Equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2019	596,027	6,092	602,119
Additions	20,999	76	21,074
At 31 December 2019	<u>617,026</u>	<u>6,167</u>	<u>623,193</u>
Depreciation:			
At 1 January 2019	367,070	5,781	372,851
Charge in the period	163,521	335	163,857
At 31 December 2019	<u>530,591</u>	<u>6,117</u>	<u>536,708</u>
Net book amount:			
At 31 December 2019	<u><u>86,434</u></u>	<u><u>51</u></u>	<u><u>86,485</u></u>

9. Investment: Parent company

<i>Investment</i>	<i>Subsidiary undertaking</i>	<i>Total</i>
	£	£
At 1 st January 2019	7	7
At 31 st December 2019	<u>7</u>	<u>7</u>

Investments are made up of 100% shareholding in Crowd Vision USA Co incorporated in USA. This company was established as a service company to assist Crowd Vision's sales and marketing activities. Investment in Crowd Vision USA Co represents 10 ordinary shares at 1 USD per share.

10. Debtors

Debtors: due within 1 year:

<i>Group:</i>	2019	2018
	£	£
Trade debtors	175,416	178,176
Accrued revenue	97,926	47,315
Sundry debtors	29	149
Research and Development tax credit	173,061	97,250
Prepayments	48,772	88,667
VAT receivable	-	28,120
US tax debtor	8,486	-
	<u>503,690</u>	<u>439,677</u>

<i>Company:</i>	2019	2018
	£	£
Trade debtors	175,416	178,176
Accrued revenue	97,926	47,315
Sundry debtors	21	141
Research and Development tax credit	173,061	97,250
Prepayments	48,772	88,667
VAT receivable	-	28,120
	<u>495,196</u>	<u>439,669</u>

Debtors: due after 1 year:

The debtor due after 1 year of £131,949 (2018 - £158,280) relates to a prepaid expense which will be amortised to the profit & loss account in more than one year.

11. Stocks

<i>Group:</i>	2019	2018
	£	£
Raw materials	51,416	-
Work in progress	10,081	-
	<u>61,497</u>	<u>-</u>

12. Creditors: amounts falling due within one year

<i>Group:</i>	2019	2018
	£	£
Trade creditors	230,225	194,207
Accruals	227,819	131,176
Other taxation & social security	42,074	54,290
Other creditors	5,646	16,685
Deferred income	627,583	474,040
	<u>1,133,347</u>	<u>870,400</u>

<i>Company:</i>	2019	2018
	£	£
Trade creditors	180,190	171,790
Accruals	103,449	111,956
Amounts payable to subsidiaries	91,254	86,842
Other taxation & social security	42,074	54,290
Other creditors	4,938	10,192
Deferred income	627,583	474,041
	<u>1,049,487</u>	<u>909,111</u>

13. Creditors: Amounts falling due after more than one year

<i>Group and Company:</i>	2019	2018
	£	£
Preferred share dividend financial liability	2,314,713	2,408,438
Loan from shareholder	1,203,163	-
Other creditors	71,358	148,496
	<u>3,589,234</u>	<u>2,556,934</u>

In the prior year 39,433 preferred shares were issued at a price of \$311.33 per share raising proceeds of £9,177,212. These preferred shares are entitled to a 5% cumulative preferential dividend in certain circumstances described in the Articles of Association that are not considered under the control of the company and hence the present value of this dividend right into perpetuity is considered as a financial liability. The issue proceeds of £9,177,212, were allocated between preferred shares £394, share premium £6,999,361 and preferred share dividend financial liability £2,177,457. The financial liability is retranslated at each year-end with the resulting finance cost charged to the profit & loss account (see Note 5).

The loan from shareholder is a convertible promissory note which was drawn to a total principal amount of \$1.5m (£1,199,486) by the year-end. This loan is considered to be a hybrid financial instrument comprising a liability component and an equity component. Of the proceeds, an amount of £1,144,498 was allocated to the liability component, this representing the fair value of a similar liability without the conversion feature. The residual amount, £54,989, was allocated to the equity component. The convertible promissory note attracts interest at a rate of 8% per annum; this interest has been capitalised, along with the unwind of the discount at issue.

14. Commitments under leases

At 31 December 2019 the Company and Group had annual commitments under non-cancellable operating leases as set out below.

	2019 £	2018 £
Operating leases which expire:		
Within one year.	5,139	69,375
	<u>5,139</u>	<u>69,375</u>

15. Allotted and issued shares**Group and Company:**

	2019 £	2018 £
Called-up Share Capital:		
At 1 January	694	636
Ordinary shares issued during the year	-	58
At 31 December	<u>694</u>	<u>694</u>
Preferred Shares:		
At 1 January	394	-
Shares issued during the year	-	394
At 31 December	<u>394</u>	<u>394</u>

The company's share capital comprises the following classes:

- Ordinary Shares – voting rights conferred by the Articles of Association
- Preferred Shares – voting rights conferred by the Articles of Association, have rights to cumulative preferential dividend in certain scenarios
- A Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- A1 Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- B Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- B1 Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles

16. Share based payments

In prior years the company issued share options under an Employee incentive plan (EIP) that vest based upon growth in the company's value in certain circumstances. The fair value of these awards has been assessed as negligible and no charge has been recognised in the prior or current year. These options were settled at nil cost to the company as part of the acquisition of WirelessWerx Inc referred to below.

17. Events after the Balance Sheet date

In May 2020, the Company acquired WirelessWerx Inc (doing business as iInside). In the course of this transaction:

- i. the Company's preferred shareholders exchanged 100% of their ordinary and preferred shares in Crowd Vision Limited for shares in CrowdVision Inc, a corporation incorporated in Delaware. As a result, 100% of the Company's ordinary and preferred shares are owned by CrowdVision Inc.
- ii. the convertible promissory note (see Note 13) converted to 4,818 ordinary shares in the Company. The loan-holder waived the premium of 25% and interest payable on the loan.
- iii. the shares that had been previously issued under the EIP (see note 16) were repurchased by the company at their nominal value and retired.

In April 2021, 100% of the shares in the Company's parent company, CrowdVision Inc, were acquired by Skyfii Limited. In June 2021 Skyfii provided the company with a \$1.25m loan, with repayment of principal and interest not due until 31 December 2022.

The COVID-19 pandemic and significant measures taken by governments and organizations globally to manage the virus has affected the economic activity of the group and company. The group and company have continued to operate through the pandemic, albeit with staff mainly working from home and a reduced onsite presence with customers. The impact on going concern has been disclosed in note 1 to the financial statements. Despite the reduction in activity, the Directors do not expect a material impairment of tangible fixed assets, stocks or trade debtors to arise.

18. Related party transactions

The company is exempt from disclosure of related party transactions entered into with Crowd Vision USA Co as this is wholly owned. There were no other related party transactions.

19. Ultimate parent undertaking and controlling party

The ultimate parent undertaking at 31 December 2019 was Highstar Capital GP IV, LP and immediate controlling party is Highstar/ASUR CV Holdings, LP. Subsequent to the year end, the ownership of the entity has changed, with the immediate controlling party now being CrowdVision, Inc., and the ultimate parent undertaking Skyfii Limited.