

Company Registration No. 08372039 (England and Wales)

LONGSTEM LIMITED

DIGITAL FREEDOM PLATFORM PROJECT

FOR THE PERIOD ENDED 30 JUNE 2021

LONGSTEM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LONGSTEM LIMITED

Opinion

We have audited the income and expenditure account for the Digital Platform Project of Longstem Limited (the Company) as at 30 June 2021, including a summary of significant accounting policies (together "the financial statement").

In our opinion, the accompanying financial statement gives a true and fair view of the loss for the period ended 30 June 2021 of the Company's Digital Freedom Platform project. The financial reporting framework that has been applied in its 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statement in the United Kingdom, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of the Financial Reporting Framework in the United Kingdom relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 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 this financial statement.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LONGSTEM LIMITED

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Colin Young (Senior Statutory Auditor)
For and on behalf of CC Young & Co Limited

Date: 19 January 2022

Chartered Accountants
Statutory Auditor

3rd Floor, 5 Chancery Lane
London
WC2A 1LG

LONGSTEM LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2021

| | £ | £ |
|-------------------------------------|---------|-------------|
| Turnover | | |
| Donations received | | 1,335,675 |
| Expenditure | | |
| Video hosting | 211,067 | |
| Web hosting | 31,811 | |
| Software | 173,185 | |
| Equipment | 24,014 | |
| Marketing | 243,638 | |
| Legal fees | 3,017 | |
| Professional fees | 712 | |
| Contractors | 400,695 | |
| Staff costs | 99,591 | |
| Merchandise | 113,580 | |
| (Profit) / loss on foreign exchange | 94,773 | |
| | <hr/> | (1,396,083) |
| | | <hr/> <hr/> |
| | | (60,408) |

The financial statement was approved by the Board of Directors and authorised for issue on 19 January 2022 and is signed on its behalf by:

Mr Brian Rose
Director

LONGSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021

1 Accounting policies

Company information

Longstem Limited is a private company limited by shares incorporated in England and Wales.

1.1 Accounting convention

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

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

1.2 Turnover

Donations are recognised when the company is entitled to the funds, the receipt is probable and the amount can be measured reliably. This is usually on receipt of funds.

1.3 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 Income and Expenditure.