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Company Registration No. 10510999 (England and Wales)

**RENTGUARANTOR HOLDINGS PLC**

**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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# RENTGUARANTOR HOLDINGS PLC

## CONTENTS

<b>Directors, secretary and advisors</b>	<b>1</b>
<b>Chairman's Statement</b>	<b>2</b>
<b>Strategic Report - Executive Directors' statement</b>	<b>4</b>
<b>Directors' report</b>	<b>8</b>
<b>Statement of directors' responsibilities</b>	<b>10</b>
<b>Corporate governance</b>	<b>11</b>
<b>Independent auditors' report</b>	<b>13</b>
<b>Consolidated statement of comprehensive income</b>	<b>20</b>
<b>Consolidated statement of financial position</b>	<b>21</b>
<b>Company statement of financial position</b>	<b>22</b>
<b>Consolidated statement of cash flows</b>	<b>23</b>
<b>Company statement of cash flows</b>	<b>24</b>
<b>Consolidated statement of changes in equity</b>	<b>25</b>
<b>Company statement of changes in equity</b>	<b>26</b>
<b>Notes to the financial statements</b>	<b>27</b>

# RENTGUARANTOR HOLDINGS PLC

## DIRECTORS, SECRETARY AND ADVISORS

**Directors**                   Graham Duncan (Non-Executive Chairman)  
Paul Foy (CEO)  
Emma Foy (COO)  
Kieron Becerra (CFO)

**Corporate Secretary**   MSP Secretaries Ltd  
27 – 28 Eastcastle Street  
London W1W 8DH

**Company number**       10510999

**Registered office**       Finsgate  
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The Millenium Centre  
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Surrey GU9 7XX

**AQSE Corporate  
advisor**                   Alfred Henry Corporate Finance Limited  
Finsgate  
5-7 Cranwood Street  
London EC1V 9EE

**Broker**                   Optiva Securities Limited  
49 Berkeley Square  
London W1J 5AZ

**Auditors**                Jeffreys Henry LLP  
Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE

**Bankers**                 NatWest International  
PO Box 11  
16 Library Place  
St Helier  
JE4 8NH

**Website**                 [www.rentguarantor.com](http://www.rentguarantor.com)

Rentguarantor Holdings PLC is listed on the AQSE market of the Aquis Stock Exchange with a TIDM of RGG

# RENTGUARANTOR HOLDINGS PLC

## CHAIRMAN'S STATEMENT

I am pleased to present our 2021 Annual Report and an update on our activities to date.

RentGuarantor Holdings PLC was admitted to trading on the AQSE Growth Market on 8 December 2021, shortly before the Company's year-end. As such, this is my first report as Chairman of the Company.

During 2021, the Company continued to invest in its technology and people and the listing on AQSE provides the Company with the platform to progressively raise awareness of our potential and thus to grow and develop its provision of tenant rent guarantees.

We have raised further capital from our shareholders during the year and this has supported the Company through an exciting but challenging period.

Despite the challenging year we have all faced, the Group continues to build on the strong foundations put in place in recent years. I am delighted to have been appointed as Chairman at such an exciting time and I am particularly pleased to be releasing our maiden full year results as a publicly listed company.

None of this success would be possible without the passion and diligence shown by our people, who have risen to every challenge posed by the pandemic. These results are a reflection of that endeavour and on behalf of the Board, I offer them my sincere thanks.

The results we are reporting today show the significant progress that has been made over the past year and are a reflection of how our team has remained focused on providing the very best customer service.

### Financial Results

The Group delivered significant revenue growth in FY21 of 99% to £241,000. As a result of the capital raised in the year, the Group has remained in a positive cash position, and this has been enhanced further in 2022 with the proceeds from convertible loans. This provides a strong platform to execute plans and deliver sustainable value.

### People

None of this success would be possible without the passion and diligence shown by our people, who have risen to every challenge posed by the pandemic. These results are a reflection of that endeavour and on behalf of the Board, I offer them my sincere thanks.

### Board and Governance

We have strengthened the Board during the year and established a solid working relationship, remaining well connected and communicative despite the restraints of the pandemic. I am grateful for the contributions that have been made to date.

### Summary and Outlook

We operate in a dynamic market where new trends and technologies can, and do, change the market rapidly. The ability to adapt and react quickly to the opportunities this environment brings will be key to our success and we are investing heavily in the technology that will best position us to succeed as this market continues to evolve.

## RENTGUARANTOR HOLDINGS PLC

The economic and geo-political environments are bringing great uncertainty for many, and we are conscious of the challenges this brings for our customers and the market we operate in. This also brings opportunities as we take a cautious but considered approach to the Group's long-term strategy. We believe that the long-term opportunity remains significant.

The focus for the year ahead is to further develop the Group's products and to widen our strategic partnerships.

I look forward to reporting to you on our progress over the coming year.



Graham Duncan

Non-Executive Chairman

30 June 2022

# RENTGUARANTOR HOLDINGS PLC

## STRATEGIC REPORT - EXECUTIVE DIRECTORS' STATEMENT

### Financial & Operational Highlights

- **Achieved a listing on the AQUIS stock exchange in London**
- **Rolled out third generation of the RentGuarantor platform**
- **Increased customer services staff in response to demand**
- **Revenue of £241k up year on year by 99%**
- **Completed 423 Rent Guarantee contracts up 92% year on year**
- **Arrears claims running at 1.6%**
- **Soft launched our affiliate programme**

### The Rental Market

2021 started off with great promise with the possibility of COVID-19 restrictions being lifted by the UK government. However, COVID-19 lingered for most of the year with various degrees of restrictions maintained throughout the country. These restrictions had a knock-on effect on most businesses and RentGuarantor Holdings PLC (RentGuarantor) was no exception, where our planned expansion of the business was managed in a very cautious manner as a result.

During 2021 the private rental sector in the UK has seen the eviction courts remain closed and the housing chain broken, resulting in less tenant movement due to the shortage of housing stock available. In the fourth quarter of the year we began to see 'green shoots' as more housing stock was starting to appear on the market. The opening up of colleges and universities also saw the return of students to education and demand in this sector is exceptionally high.

However, it follows that the appetite at RentGuarantor of taking risk when it comes to growth remains cautious in these challenging and unusual times whilst still seeking and taking advantage of opportunities for steady growth when they arise. Nonetheless, our year-on-year revenue growth of 99% must be seen as positive and provides encouraging signs for 2022.

### AQUIS Stock Exchange

The Company's ambition to undertake an IPO was achieved on the 8th of December 2021 with a successful listing on the AQSE Growth Market, London, with a market cap of £23m or 210p per share.

This exercise of listing the Company brings great credibility, openness, and transparency to our business model, which has been well received within our sector. As a direct result we have had a number of approaches from different entities to enter into partnership agreements. In particular, in April 2022, the Company was granted the status and title of Recognised Supplier by the National Residential Landlord Association ("NRLA"), followed in May whereby the Company was granted the status and title of Industry Supplier by Propertymark Ltd ("Propertymark").

Our successful admission to AQSE has provided a sound base for the Company's ambitions for 2022.

As a newly listed entity we will have much to attend to in 2022. The primary goal during the year is to build on our strategic partnerships and marketing initiatives to support long-term growth of the business. We have appointed a PR agency to promote our business to the investor world which is considered a regulated activity, and a second PR company to communicate our message to the tenant and landlord audiences throughout the UK. This along with speaking engagements and print media publicity will lead to greater awareness of our business and brand.

# RENTGUARANTOR HOLDINGS PLC

## Staff

We currently have 10 staff across all the disciplines of the business. We intend to increase the staff count progressively, building capacity for expansion of the business during 2022. We have appointed an in-house accountant to assist our CFO in providing timely financial information to the board and senior management.

During the first half of the year, we have recruited: In the early part of 2022 it is envisaged that we will identify and recruit a compliance officer and business development manager, and interviews are expected to commence soon for the posts of a senior marketing executive and a graphic designer. These additional personnel will further enhance the development and growth of our business.

I would like to take this opportunity to thank all the staff for their hard work during the year and shareholders for their continued loyalty and support. I look forward to implementing our business plan with vigour and commitment during the year.

## Principal Risks and Uncertainties

The Directors consider the principal risks and uncertainties facing the Company and a summary of the key measures taken to mitigate those risks are as follows:

### Financial risks

The key financial risk is that of funding the continued development of the business with the current cash reserves whilst protecting shareholder value. The Board manages this risk by maintaining close oversight of the cash position to enable it to take action as necessary. During the year, the Company raised funds from shareholders by way of the issue of additional equity. In addition, the Company has, since the year end, raised funds by way of convertible loan notes as described in Note 25 to the Financial Statements. As a result of these actions, the Board believes that this risk level is lower than at the same time last year.

### COVID-19

The COVID-19 pandemic has had a profound impact on the economy and the Group as a whole. As detailed above, the Company has taken a cautious approach in its strategy as the economy has slowly opened up.

Since the outbreak of the pandemic in March 2020, we have followed WHO and government guidance to protect the safety of our employees, customers and partners, putting in place a number of measures to enable remote working.

### Strategic and commercial risks

The success of the Company's business strategy is dependent on growing the customer base, developing its technology and strategic partnerships. To mitigate these risks, the Company has continued to develop its technology, enhance its marketing capabilities and signed strategic partner initiatives.

### Operational risks

The key risk to the Group's ability to deliver its products is ineffective succession planning and failure to retain skills. The Group operates in very competitive markets and the skills that its employees possess are attractive to other employers. Not having the right people and skills could negatively impact the Group's ability to service its customers and grow the business. It is important that the Group maintains high levels of employee engagement to ensure that it is able to retain and attract the best talent. Employee engagement is monitored in order to identify issues and, where necessary, take restorative action.

# RENTGUARANTOR HOLDINGS PLC

Another key operational risk is non-supply by a major supplier. Some of the Group's technical infrastructure and software is sourced from third-party suppliers and partners. The removal from the market of one or more of these third-party suppliers or interruption in supply could quickly and adversely affect the Group's operations and result in the loss of revenue or additional expenditure. To mitigate this risk, the Group's business development and management teams work strategically to prevent over reliance on any one key supplier. Suppliers are carefully selected to minimise risk of supplier failure or insolvency and the Group ensures that team members are aware of supplier requirements or restrictions to minimise the risk of loss of a supplier due to a breach of contractual obligations. In addition, the Group seeks to form business partnerships to enhance its offerings but also help to ensure its 'production capability'

## **Current Economic Outlook**

The unfortunate war in Ukraine is now setting the tone for most businesses in the coming year. Clearly the impact of such an event will have knock on consequences for the whole world during the coming year. We expect that RentGuarantor will proceed with caution as we adjust to managing risk in the current economic climate.

Already, we have seen the rise in fuel prices in both gas and oil which in turn are having an impact on most households in the UK. For the remainder of the year, we are expecting to see further upward pressure on interest rates, utilities, and food. All placing a strain on tenant affordability.

On an optimistic note, this level of uncertainty also provides RentGuarantor with an opportunity to grow. Never was it more important for a Landlord and Tenant to secure their position with a rent guarantee. No Landlord can tolerate rent loss, while Tenants don't need to compound their situation with potential eviction notices. We look forward to working with the industry to bring peace of mind in the coming year.

## **Companies Act S.172**

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

### *The likely consequences of any decisions in the long-term*

In making its decisions, the Board considers its priority of making the Group profitable alongside the interests of our staff and the need to keep pace with market initiatives and technological changes so the business is appropriately positioned to take best advantage of market conditions and remain viable for the long-term.

### *Engagement with employees*

The Group's policy is to consult and engage with employees, by way of meetings and through personal contact by Executive Directors and other senior executives, on matters likely to affect employees' interests. Information on matters of concern to employees is given in meetings, handouts, letters and reports, which seek to achieve a common awareness on the part of all employees on the financial and economic factors affecting the Group's performance. We maintain oversight of their performance through a development review process. We value our employees' thoughts and ideas and two-way communication is actively sought and encouraged.

### *Business relationships with customers, suppliers and others*

Our customers, suppliers and business partners are key to the long-term success of our business. We seek to maintain and grow our relationships with all parties through regular dialogue as a means of enhancing our reputation and to help us achieve our growth ambitions. We set out our relationship with our business partners in terms of business or service level agreements. We maintain oversight of these arrangements as well as making sure our customers receive appropriate levels of feedback.

### *The impact of the Company's operations on the community and environment*

The Company seeks to be a responsible member of its community and take its environmental impact into account.



# RENTGUARANTOR HOLDINGS PLC

*The desirability of the Company maintaining a reputation for high standards of business conduct*  
We communicate with shareholders through financial results on a yearly and half-yearly basis. We also provide the required press releases to ensure compliance with the AQSE Market rules.

  
**Paul Foy**  
CEO

30 June 2022

# RENTGUARANTOR HOLDINGS PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the Group is the provision of an online platform offering rent guarantor services to the property rental sector in the United Kingdom.

### Results and dividends

The results for the year are set out on page 20.

### Outlook and future developments

The Group continues to develop its range of products and services in order to support the future growth of the company. RentGuarantor goes from strength to strength with income continuing to rise consistently during 2022. We continue to innovate with additional advances in our tech department with the addition of real time reporting and the introduction of Payl8r and PayPal to allow clients instalment payment options; with ApplePay, GooglePay and Stripe available as additional payment options. We believe that extending the RentGuarantor solution to local authorities during the year will return great benefits in 2022.

The Company will pursue its intention to develop other products to further enhance the RentGuarantor proposition.

As more fully described in Note 25 to the Consolidated Financial Statements, the Company has raised a total of £1,000,000 from the issue of unsecured convertible loan notes as a means of providing additional working capital and funding for strategic growth.

### Directors

The following directors have held office during the year, or post year end:

Graham Duncan  
Paul Foy  
Kieron Becerra (appointed 10 June 2021)  
Emma Foy (appointed 23 February 2021)

### Directors' interests in shares

At the date of this report the directors held the following beneficial interest in the ordinary share capital of the Group:

	2021	2020
Graham Duncan	50,000	25,000
Paul Foy (including shares held through Southpaw Limited, Ruvso Holdings Limited)	4,458,486	4,479,763
Kieron Becerra	200,000	150,000
Emma Foy	1,000	1,000

### Directors' remuneration for the year ended 31 December 2021

	2021	2020
Graham Duncan	£2,500	-
Paul Foy	£81,350	£86,778
Kieron Becerra	£2,500	-
Emma Foy	£36,182	£35,601

The executive directors of RentGuarantor Holdings PLC are not entitled to any bonuses on Group results as at 31 December 2021.

# RENTGUARANTOR HOLDINGS PLC

## **Financial risk and management of capital**

The major financial risks to which the Group is exposed to and the controls in place to minimise those risks are disclosed in Note 4 to the financial statements.

A description of how the Group manages its capital is also disclosed in Note 4.

## **Financial instruments**

The Group has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

## **Auditors**

Jeffreys Henry LLP were appointed as auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

By order of the Board

  
**Mr. Paul Foy**  
**CEO**

30 June 2022

# RENTGUARANTOR HOLDINGS PLC

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare Group and parent financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Adopted International Accounting Standards (IAS) as adopted for use in the European Union. 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 year. 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;
- state whether they have been prepared in accordance with IAS as adopted by the UK.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group. They are also responsible for safeguarding the assets of the Company and the Group hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure to auditors

Each person who is a director at the date of approval of this Annual Report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware; and
- Each director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the board



**Mr Paul Foy**  
Director  
30 June 2022

# RENTGUARANTOR HOLDINGS PLC

## CORPORATE GOVERNANCE

### Corporate structure

RentGuarantor Holdings PLC is the holding company to the Group and was incorporated in England and Wales. Details of the Company's subsidiaries are set out in Note 13 to the Consolidated Financial Statements. Details of the Directors who have served during the year are as follows:

### Board of Directors

Name	Function	Appointed
Graham Duncan	Non-Executive Chairman	14 February 2017
Paul Foy	Executive Director/CEO	5 December 2016
Kieron Becerra	Executive Director/CFO	10 June 2021
Emma Foy	Executive Director/COO	23 February 2021

### Composition

The RentGuarantor Board comprises three Executive Directors and one Non-Executive Chairman. The composition of the Board is designed to provide an appropriate balance of executive and non-executive experience and skills and will be reviewed regularly. The Board intends to meet in a formal manner on a bi-monthly basis at the principal business office in Gibraltar or by conference call and elsewhere, with additional meetings held as required.

The Chairman is considered by the Board to be independent and is responsible for the running of the Board.

### Responsibilities

The Executive Directors are collectively responsible for promoting the success of RentGuarantor. However, their respective roles are strictly delineated. The Executive Directors have direct responsibility for the business operations of the Group, with the Chairman primarily responsible for the effective running of the Board. The Chief Executive Officer's primary role is to provide the overall management and leadership of the Group and the Chief Financial Officer's primary role is the overall financial management of the Company. The Chief Operating Officer's primary role is the overall operational management of the Company.

It is the responsibility of the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer to ensure that the Directors receive all of the information necessary for the effective performance of their duties. In the furtherance of their duties, the Directors have access to the advice and service of the Corporate Secretary and are permitted to take independent professional advice, where necessary, and to undertake any training considered appropriate, both at the Company's expense. In addition, there are a number of matters reserved for the main Board.

The Board regularly reviews the composition of the Board to ensure it has the necessary skills to support the development of the business.

### Shareholders

The Board recognises the importance of maintaining good communications with its shareholders. Throughout the year, the Board maintains a regular dialogue with institutional investors and brokers' analysts, providing them with such information on the Company's progress as is permitted within the guidelines of the AQSE rules and requirements of the relevant legislation. In particular, twice a year, at the time of announcing the Group's half and full year results, they are invited to briefings given by the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

The Board believes that the Annual Report and financial statements play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Annual General Meeting is the principal opportunity for shareholders to meet and discuss the Group's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general.

### Corporate Governance

The Board believes that good corporate governance, actively applied, promotes, inter-alia, accountability, integrity, clear communication, a performance-based culture and a clear understanding of roles and

## RENTGUARANTOR HOLDINGS PLC

responsibilities. These features of the Company's culture underpin the execution of the Company's strategy and therefore the long-term success of the Company.

The Board is committed to achieving and maintaining high standards of corporate governance and, so far as is practicable given the Company's size and nature, aims to comply with the QCA Code. The QCA Code identifies ten principles that enable companies to deliver growth in long-term shareholder value by maintaining a flexible, efficient and effective management framework within an entrepreneurial environment.

Audit and risk management issues are addressed by the Directors as a whole, rather than by separate committees. As the Company develops, the Board will consider establishing separate audit and risk management committees and a remuneration committee and will consider developing further policies and procedures, which reflect the principles of good governance.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the Access segment of the AQSE Growth Market.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in the light of an investment or acquisition and adjusted accordingly.

# RENTGUARANTOR HOLDINGS PLC

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENTGUARANTOR HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2021

### Opinion

We have audited the financial statements of Rentguarantor Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for a period of 12 months, to determine expected cash burn, which was compared to the liquid assets held in the entity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

# RENTGUARANTOR HOLDINGS PLC

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of intangible assets</b></p> <p>During the year, the group acquired intangible assets with a fair value of £58,900 and with a useful economic life of 3 years. Consequently, the group carried intangible assets of £305,446 (2020: £347,683) at the yearend relating to intellectual property and computer software.</p> <p>The risk is that the useful economic life of the intangible assets may be different to the management assumptions or technological advancements may render its market value below its carrying value.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• confirmed cost and useful life by reviewing the underlying contracts for purchase of the intangible assets;</li> <li>• performed a recalculation of amortisation charge for year;</li> <li>• reviewed the group policy to ensure that amortisation was correctly calculated, policy adopted was in accordance with UK-adopted International Accounting Standards and appropriate for the type of asset;</li> <li>• confirmed the useful economic life of the asset by reviewing and challenging assumptions made by management in determining the life of intangible assets across the group;</li> <li>• reviewed cash flow forecasts for the foreseeable future to assess the potential future economic benefit from ownership of the intangible assets.</li> </ul> <p>Based on the audit work performed we are satisfied, that although there are inherent uncertainties associated with the forecast and estimation of useful economic life of intangible assets, the directors have made reasonable assumptions about the valuation and useful economic life of intangible assets, based on past experience and expected future revenues. We are also satisfied that all necessary disclosures have been made in the consolidated financial statements.</p>
<p><b>Valuation of investments in and recoverability of amounts due from subsidiaries</b></p>	



# RENTGUARANTOR HOLDINGS PLC

<p>The parent company carried Investments in subsidiaries of £8,500,501 (2020: £8,500,501).</p> <p>The parent company also had amounts owed by subsidiary undertakings of £2,224,424 (2020: £1,739,398) at the year end.</p> <p>Management's assessment of the recoverable amounts from investments in and loans to subsidiaries requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary, amounts recoverable from the subsidiaries and resulting impairment charges.</p> <p>The directors have assessed the recoverability of intercompany balances and have concluded that they are recoverable.</p> <p>There is a risk that the subsidiaries may not be able to trade as expected in the future and therefore the investment and the amounts recoverable may be impaired.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"><li>• reviewed management's assessment of future operating cashflows and indicators of impairment;</li><li>• assessed the methodology used by management to estimate the future profitability of companies in the group and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate;</li><li>• assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with the economic and industry statistics relevant to the business;</li><li>• confirmed that any adverse changes in key assumptions will not would not materially increase the impairment loss;</li><li>• challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at the expected revenues for the foreseeable future;</li><li>• assessed the appropriateness and applicability of discount rate applied to the current business performance;</li><li>• assessed the reasonability of cash outflows, including contracted costs, research expenditure and expected capital expenditure;</li><li>• reviewed the latest management accounts for all entities in the group to confirm reasonability of assumption used in the cashflow forecast.</li></ul> <p>Based on the audit work performed we are satisfied that the management have made reasonable assumptions in arriving at the value of the companies in the group based on net present value of future cashflow and the amounts are disclosed in accordance with the reporting framework, and no further impairment loss should be recognised in the parent company financial statements.</p>
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## Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and

# RENTGUARANTOR HOLDINGS PLC

disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£28,000 (2020: £21,000).	£20,000 (2020: £27,000).
How we determined it	Based on 1% of Gross Assets (2020: 1% of Gross Assets).	Based on 1% of Gross Assets (2020: 1% of Gross Assets).
Rationale for benchmark applied	We believe that Gross Assets are a primary measure used by shareholders in assessing the financial position of the group, and is a generally accepted auditing benchmark.	We believe that Gross Assets are a primary measure used by shareholders in assessing the financial position of the group, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £700 and £21,000.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £1,400 (Group audit) (2020: £1,050) and £1,350 (Company audit) (2020: £1,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## **An overview of the scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of eight reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information for Rentguarantor Plc, Ezylet Limited and Rentguarantor Limited reporting units, which were individually financially significant and accounted for over 100% of the Group's revenue and over 99% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units).

# RENTGUARANTOR HOLDINGS PLC

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 the 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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

# RENTGUARANTOR HOLDINGS PLC

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.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 auditor's 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# RENTGUARANTOR HOLDINGS PLC

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of this 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.



Sanjay Parmar (Senior Statutory Auditor)

For and on behalf of Jeffrey's Henry LLP, Statutory Auditor

Finsgate

5-7 Cranwood Street

London EC1V 9EE

XX June 2022

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021 £	Year ended 31 December 2020 £
<b>Continuing operations</b>	<b>Notes</b>		
Revenue		241,033	121,411
Direct costs		(71,568)	(30,469)
<b>Gross profit</b>		<u>169,465</u>	<u>90,942</u>
Administrative expenses		(1,675,673)	(509,733)
<b>Operating loss</b>	<b>6</b>	<u>(1,506,208)</u>	<u>(418,791)</u>
Finance costs	<b>8</b>	(35,705)	(50,179)
<b>Loss on ordinary activities before taxation</b>		<u>(1,541,913)</u>	<u>(468,970)</u>
Income tax expense	<b>9</b>	-	-
<b>Loss for the year</b>		<u>(1,541,913)</u>	<u>(468,970)</u>
Loss per share (expressed in pence per share)	<b>11</b>	<u>(15.19)</u>	<u>(4.90)</u>

There is no other comprehensive income for the year (year ended 31 December 2020: nil).

The notes on pages 27 to 44 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		2021	2020
	Notes	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	14	305,446	347,683
Right of use assets	15	34,339	57,232
Tangible assets	15	5,511	3,745
		345,296	408,660
<b>Current assets</b>			
Trade and other receivables	16	34,248	20,122
Cash and cash equivalents	17	142,033	9,914
		176,281	30,036
<b>Total assets</b>		<b>521,577</b>	<b>438,696</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	18	11,268,680	9,607,351
Share premium	19	593,500	65,125
Reorganisation reserve		(8,050,001)	(8,053,501)
Accumulated losses	20	(3,806,554)	(2,278,159)
		5,625	(659,184)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans	21	-	169,305
Lease liability	21	21,248	33,003
		21,248	202,308
<b>Current liabilities</b>			
Trade and other payables	21	480,200	870,572
Lease liability	21	14,504	25,000
		494,704	895,572
<b>Total liabilities</b>		515,952	1,097,880
<b>Total equity and liabilities</b>		<b>521,577</b>	<b>438,696</b>

The notes on pages 27 to 44 form part of these financial statements.

Approved by the Board and authorised for issue on 30 June 2022

Mr Kieron Becerra



**Director**

Company Registration No. 10510999

Mr Paul Foy



**Director**

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		2021	2020
	Notes		£
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary	13	8,500,501	8,500,501
Trade and other receivables	16	2,196,601	1,739,398
		<hr/>	<hr/>
		10,697,102	10,239,899
<b>Current assets</b>			
Trade and other receivables	16	25,773	-
Cash and cash equivalents	17	120,478	23
		<hr/>	<hr/>
		146,251	23
<b>Total assets</b>		<hr/> <b>10,843,353</b>	<hr/> <b>10,239,922</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Ordinary shares	18	11,268,680	9,607,351
Share premium	19	593,500	65,125
Accumulated losses	20	(1,270,901)	(128,317)
<b>Total equity</b>		<hr/> <b>10,591,279</b>	<hr/> <b>9,544,159</b>
Loans	21	-	169,305
<b>Current liabilities</b>			
Trade and other payables	21	252,074	526,458
		<hr/>	<hr/>
Total liabilities		252,074	695,763
<b>Total equity and liabilities</b>		<hr/> <b>10,843,353</b>	<hr/> <b>10,239,922</b>

As permitted by Section 408 of the Companies Act 2006 the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £1,142,584 (2020: Loss of £62,570).

The notes on pages 27 to 44 form part of these financial statements. Approved by the Board and authorised for issue on 30 June 2022.

Mr Kieron Becerra  
Director



Mr Paul Foy  
Director



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# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021 £	Year ended 31 December 2020 £
<b>Cash outflows from operating activities</b>	<b>Notes</b>		
Cash consumed in operations	22	(812,411)	(318,650)
<b>Net cash outflows from operating activities</b>		<b>(812,411)</b>	<b>(318,650)</b>
<b>Cash flows from investing activities</b>			
Expenditure on non-current assets		(4,014)	(2,644)
Expenditure on intangible assets		(58,900)	(54,793)
<b>Net cash outflows from investing activities</b>		<b>(62,914)</b>	<b>(57,437)</b>
<b>Cash flows from financing activities</b>			
(Repayment of) / proceeds from issue of convertible loans		497,149	222,848
Finance costs paid		(35,705)	(46,998)
Lease repayments		(25,000)	(23,300)
Proceeds from issue of shares		571,000	215,000
<b>Net cash inflows from financing activities</b>		<b>1,007,444</b>	<b>367,550</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>132,119</b>	<b>(8,537)</b>
Cash and cash equivalents at the beginning of the year		9,914	18,451
Cash and cash equivalents at the end of the year		<b>142,033</b>	<b>9,914</b>

The notes on pages 27 to 44 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021	Year ended 31 December 2020
			£
<b>Cash outflows from operating activities</b>	<b>Notes</b>		
Cash consumed in operations	22	(914,738)	(402,449)
<b>Net cash outflows from operating activities</b>		<b>(914,738)</b>	<b>(402,449)</b>
<b>Cash flows from financing activities</b>			
(Repayment of) / proceeds from issue of convertible loans		497,149	222,848
Finance costs paid		(32,956)	(46,998)
Proceeds from issue of shares		571,000	215,000
<b>Net cash generated from financing activities</b>		<b>1,035,193</b>	<b>390,850</b>
<b>Net increase in cash and cash equivalents</b>		<b>120,455</b>	<b>(11,599)</b>
Cash and cash equivalents at the beginning of the year		23	11,622
Cash and cash equivalents at the end of the year		120,478	23

The notes on pages 27 to 44 form part of these financial statements

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital	Share Premium	Reorganisation Reserve	Accumulated Losses	Total
	£	£	£	£	£
<b>As at 31 December 2019</b>	<b>9,409,017</b>	<b>38,459</b>	<b>(8,053,501)</b>	<b>(1,809,189)</b>	<b>(405,214)</b>
Share capital issued	188,334	26,666		-	215,000
Loss for the year	-	-		(468,970)	(468,970)
<b>As at 31 December 2020</b>	<b>9,607,351</b>	<b>65,125</b>	<b>(8,053,501)</b>	<b>(2,278,159)</b>	<b>(659,184)</b>
Share capital issued	1,661,329	528,375		-	2,189,704
Impairment adjustment			3,500		3,500
Loss for the year	-	-		(1,528,395)	(1,528,395)
<b>As at 31 December 2021</b>	<b>11,268,680</b>	<b>593,500</b>	<b>(8,050,001)</b>	<b>(3,806,554)</b>	<b>5,625</b>

Share capital is the amount subscribed for shares at nominal value.

Accumulated losses represent the cumulative loss of the Group attributable to equity shareholders.

The reorganisation reserve arises as a result of the reorganisation accounting adopted as per accounting policy 2.2

The notes on pages 27 to 44 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £	Share Premium £	Accumulated losses £	Total £
<b>As at 31 December 2019</b>	<b>9,419,017</b>	<b>38,459</b>	<b>(65,747)</b>	<b>9,391,729</b>
Ordinary shares issued	188,334	26,666	-	215,000
Loss for the year	-	-	(62,570)	(62,570)
<b>As at 31 December 2020</b>	<b>9,607,351</b>	<b>65,125</b>	<b>(128,317)</b>	<b>9,544,159</b>
Ordinary shares issued	1,661,329	528,375	-	2,189,704
Loss for the year	-	-	(1,142,584)	(1,142,584)
<b>As at 31 December 2021</b>	<b>11,268,680</b>	<b>593,500</b>	<b>(1,270,901)</b>	<b>10,059,279</b>

Share capital is the amount subscribed for shares at nominal value.

Retained losses represent the cumulative loss of the Company attributable to equity shareholders.

The notes on pages 27 to 44 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 General information

RentGuarantor Holdings PLC ("the Company") and its subsidiaries (together, the "Group") has been set up to invest in developing an online platform offering long term property rental services in the United Kingdom. The company was incorporated in England and is limited by shares. The Group is based in the United Kingdom and the address of the registered office is disclosed on the Company information page at the front of the annual report.

The Company's issued share capital was admitted to trading on the AQSE Growth Market on 8 December 2021.

The Company was incorporated on 5 December 2016.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK Adopted International Accounting Standards (IAS) and with those parts of the Companies Act 2006 applicable to companies reporting under IAS. IAS comprises of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the UK. In the previous year, the financial statements were prepared in accordance with EU adopted International Financial Reporting Standards. On 31 December 2020, all extant EU adopted IFRS were brought into UK law and became UK adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. RentGuarantor Holdings plc transitioned to UK-adopted International Accounting Standards in its consolidated and parent company financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no change on recognition, measurement or disclosure in the financial year reported as a result of the change in framework.

#### Preparation of financial statements

The preparation of financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### Going concern

The financial statements are required to be prepared on the going concern basis unless it is inappropriate to do so.

The Group incurred losses of £1,542,000 on continuing operations and experienced net cash outflows from operating activities of £812,000. The Group's cash balances at 31 December 2021 were £142,000.

The Group meets its day-to-day working capital requirements through cash generated from the capital it raised on admission to the AQSE Growth Market.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

More recently, the Company raised £1 million through the issue of unsecured convertible loan notes to two existing shareholders as more fully described in Note 25 to the financial statements. The proceeds of the Loan Notes will be used for working capital purposes as well as supporting the Group's strategic growth plans.

Following the issue of the convertible loan notes, the Group's cash position gives it sufficient headroom to execute its business plans. This has enabled the financial statements to be prepared on a going concern basis.

The Directors have prepared forecasts and projections and have specifically performed a detailed review of those forecasts for the period to June 2023. These reflect the expected trading performance of the Group on the basis of best estimates of management using current knowledge and expectations of trading performance. These forecasts and projections have also been stress tested to consider what the Directors believe to be a 'plausible worst-case scenario'.

The Directors report that they have re-assessed the principal risks, reviewed current performance and forecasts, combined with expenditure commitments, including capital expenditure. The Group's forecasts demonstrate it will have sufficient cash reserves to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider the Group to be a going concern.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

### **New and amended standards adopted by the Company**

There are no UK Adopted International Accounting Standards that are effective for the first time for the financial year beginning 1 January 2021 that would be expected to have a material impact on the Group. The new IAS adopted during the year are as follows:

- IFRS 3 Business Combinations
- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The new standards effective for annual periods beginning on or after 1 January 2022, include

Reference	Title	Application date of standard (Periods commencing on or after)
IFRS 17	Insurance Contracts and the related Amendments	1 January 2023
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

The Directors anticipate that the adoption of these standards and the interpretations in future period will have no material impact on the financial statements of the company.

### 2.2 Consolidation

#### (a) Subsidiaries

Other than as described in note 2.2 (d) below, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

### (b) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### (c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### (d) Group reorganisation accounting

The Company acquired its 100% interest in Ezylet Ltd on 5 December 2016 by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Company but they are a continuance of those of Ezylet Ltd. Therefore, the assets and liabilities of Ezylet Ltd have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. The accumulated losses and other equity balances recognised in these consolidated financial statements are the accumulated losses and other equity balances of the Company and Ezylet Ltd. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to affect the consolidation. The difference between consideration given and net assets of Ezylet Ltd at the date of acquisition is included in a Group reorganisation reserve.



# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2.3 Segmental reporting

Operating segments are reported based on financial information provided to the Board, which is used to make strategic decisions. The directors believe that the only operating segment is that reportable for the investment in property rental services in the UK and the revenue generated is all undertaken in the UK. Accordingly, no separate segmental reporting has been produced.

### 2.4 Financial assets and liabilities

The Group classifies its financial assets at fair value through profit and loss or as loans and receivables and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

#### (a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans are recognised when the funds are advanced to customers. Loans and receivables are carried at amortised cost using the effective interest method (see below).

#### (b) Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date.

#### *Amortised cost measurement*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

#### *Fair value measurement*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the Group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all of the risks and rewards of ownership. In transaction in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The Group derecognises a financial liability when its contractual obligation is discharged, cancelled or expires.

### *Impairment*

The Group assesses at each financial position date whether there is objective evidence that a financial asset or Group of financial assets is impaired. If there is objective experience (such as significant financial difficulty of obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of loss is recognised in the Statement of Comprehensive Income.

## **2.5 Revenue**

Revenue represents the value of goods and services supplied in the provision of the Group's online platform offering long term property rental services. The entity's main source of revenue derives from rental guarantor contracts whereby the entity acts as a guarantor for tenants willing to apply for a rental contract. For contracts on which revenue exceeds fees rendered, the excess is included as amounts recoverable on contract within other receivables. For contracts on which fees rendered exceeds revenue, the excess is included as deferred income within other payables.

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer net of sales taxes and discounts. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The board believe that the Group has one principal of revenue, sourced from rental guarantor contracts. This source of income has been recognised at the point in time when the rental guarantee takes effect.

## **2.6 Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are presented as current assets in the statement of financial position.

## **2.7 Share capital**

Ordinary shares are classified as equity.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

### 2.9 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the year in which the profits arise.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2.10 Intangible assets

Intangible assets with limited economic lives are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets as follows:

Trademarks	10 years
Databases	10 years
Computer software	3 years

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. In the case of assets whose cash flow generation cannot be separated and distinguished from that of other assets, the recoverable amount of the cash-generating component to which the asset belongs is estimated. Any impairment loss is recognised immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating component) is increased to the revised estimate of its recoverable amount, but to the extent that this increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2.11 Research and development

The Group incurs expenditure on research and development in order to develop and improve new and existing websites, website portals and related products. Expenditure may include staff costs of our in-house technical team and that of third-party experts in the field.

Unless they meet certain criteria for capitalisation, research expenditure on new websites, website portals or products and obtaining new technical knowledge is expensed in the year in which it is incurred. Development costs whereby research findings are applied to creating a substantially enhanced website, website portal or new product, are only capitalised once we are satisfied that we can reliably measure the feasibility and the commercial viability and enhancement the project will ascertain. Capitalised development costs are amortised on a straight-line basis over their expected useful economic life.

Once the new website, website portal or product is available for use, subsequent expenditure to maintain the website, website portal or product, or on small enhancements to the website, website portal or product, is recognised as an expense when it is incurred.

### 2.12 Investments in subsidiaries

Investments are held as non-current assets at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised.

### 2.13 Leased assets

With the exception of short-term leases and leases of low value assets, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate (5.5%) is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

### 3 Critical accounting estimates and judgments

The Group makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 3.1 Capitalisation of Intangible assets

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

#### 3.2 Impairment of intangible assets

Determining whether intangible assets are impaired or whether a reversal of impairment of intangible assets recorded in previous years should be recorded requires an estimation of the higher of fair value and value in use, of the relevant cash-generating component, which represents its recoverable value. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating component discounted using a suitable discount rate to determine if any impairment has occurred. A key area of judgement is deciding the long-term growth rate and the discount rate applied to those cash flows.

#### 3.3 Taxation

In recognising income tax assets and liabilities, management makes estimates of the likely outcomes of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the year in which such a determination is made. In recognising deferred tax assets and liabilities management also makes judgements about the likely future taxable profits.

### 4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### a) Cash flow and Interest rate risk

The Group has a loan with a related party at the accounting date. The Group accounts for the

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

loan at fair value. The Group does not manage any cash flow interest rate risk.

b) Liquidity risk

The Group is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of loans. This applies equally to the underlying investments of the companies or projects in which the Group invests.

c) Capital risk

The Group takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investments are closely monitored.

d) Market risk

The Group currently operates only in the United Kingdom and is exposed to market risks in that jurisdiction. A general economic downturn at a global level, or in one of the world's leading economies, could also impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Group. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Group's operations. These risks are also applicable to most companies and the risk that the Group will be more affected than the majority of companies is assessed as small.

e) Price risk

The principal activity of the Group is the provision of an online platform offering long term property rental services in the United Kingdom. The Group does not have a diversified portfolio of services and is therefore at risk

### 4.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels. There were no changes to the objectives, policies or processes either during the year.

### 5 Segment information

The Group's single line of business is the provision of an online platform offering long term property rental services in the United Kingdom. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment. As the Group has only been recently formed there are a limited number of customers.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Operating loss

	2021 £	2020 £
Operating loss is stated after charging:		
Amortisation of intangible assets	124,029	99,238
Depreciation	2,249	17,704
Directors' emoluments	120,032	126,554
Wages and salaries	62,508	59,281
Share-based payment expense	952,250	-
Staff Recruitment	-	6,750
Audit fees	16,930	14,080
Non-audit fees	11,126	
Accountancy	6,923	32,253
Legal and professional fees	55,526	49,596
Advertising	52,017	55,537
Rent and rates	7,186	1,459
Other expenses	115,801	47,281
Cost of IPO	149,096	-
<b>Total administrative expenses</b>	<u>1,675,673</u>	<u>509,733</u>

### 7 Employee benefit expense

	2021 £	2020 £
Employees and Directors		
Directors' emoluments	120,032	126,554
Wages and salaries	62,508	59,281
Social security costs	12,589	9,356
Directors social security costs	11,880	12,526
	<u>182,540</u>	<u>185,835</u>

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

	2021 Number	2020 Number
Directors	4	2
Staff	4	5
	<u>8</u>	<u>7</u>

### 8 Finance costs

	2021 £	2020 £
Lease interest	2,749	3,181
Loan interest payable	32,956	46,998
	<u>35,705</u>	<u>50,179</u>

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Taxation

	2021 £	2020 £
<b>Total current tax</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(1,541,913)	(468,970)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2019– 19%)	(292,963)	(89,104)
Effects of:		
Tax losses brought forward	63,707	-
Amortisation and depreciation	-	240
Non-deductible expenses	145,274	199
Effect of different corporate tax rates	-	24,958
Tax losses carried forward	83,982	63,707
<b>Current tax charge for the year</b>	-	-

The Parent Company has excess management expenses of £83,982 (2020: £63,707) available to carry forward. The deferred tax assets at a rate of 19% at the year end of £55,663 (2020: £15,832) have not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

The subsidiary companies have estimated trading losses of £364,777 (2020: £1,774,657) available for carry forward against future trading profits. The deferred tax assets at a rate of 10% (2020: 10%) at the year-end of £36,478 (2020: £177,466) have not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

### 10 Loss per share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the year. Reconciliations are set out below:

	2021	2020
Losses attributable to ordinary shareholders	(1,541,913)	(468,970)
Weighted average number of shares	10,149,179	9,575,324
Basic and diluted loss per share (pence)	(15.19)	(4.90)

As the Group is loss-making, any potentially dilutive instruments would be considered anti-dilutive, and are disregarded for the purposes of calculating diluted earnings per share.



# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Dividends

No dividends were paid or proposed for the year ended 31 December 2021.

### 12 Fixed asset investments - Company

	2021	2020
	Shares in Group undertakings £	Shares in Group undertakings £
At 1 January	8,500,501	8,500,501
Additions	-	-
At 31 December	8,500,501	8,500,501

The Group had the following subsidiaries at 31 December 2021, all of which have been included in the Group consolidation:

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by parent and Group (%)
Ezylet Ltd	Gibraltar	Online property portal	100.00
RentGuarantor Limited (acquired 17 October 2018)	UK	Online property portal	100.00

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Intangible assets- Group

	Trademarks	Database	Domain names	Computer software	Total
	£	£	£	£	£
<b>Cost</b>					
As at 1 January 2020	13,877	465,753	2,411	384,913	866,954
Additions	-	-	-	54,793	54,793
As at 31 December 2020	13,877	465,753	2,411	439,706	921,747
Additions	-	-	-	58,900	58,900
As at 31 December 2021	13,877	465,753	2,411	498,606	980,647
<b>Accumulated amortisation</b>					
As at 1 January 2020	13,564	151,369	2,411	307,482	474,826
Amortisation for the year	145	46,575	-	52,518	99,238
As at 31 December 2020	13,709	197,944	2,411	360,000	675,201
Amortisation for the year	57	46,576	-	54,504	101,137
As at 31 December 2021	13,766	244,520	2,411	414,504	675,201
<b>Net Book Value</b>					
As at 31 December 2021	111	221,233	-	84,102	305,446
As at 31 December 2020	168	267,809	-	79,706	347,683

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible assets - Group

	Computer equipment	Right of use asset – leasehold property	Total
	£	£	
<b>Cost or Valuation</b>			
As at 1 January 2020	32,484	-	32,484
Additions	2,6444	68,679	71,323
Transfers	(29,942)	29,942	-
Lease modification	-	(29,942)	(29,942)
As at 31 December 2020	5,186	68,679	73,865
Additions	4,014	-	4,014
As at 31 December 2021	9,200	68,679	77,879
<b>Accumulated depreciation</b>			
As at 1 January 2020	174	-	174
Depreciation for the year	1,267	16,437	17,704
Lease modification	-	(4,990)	(4,990)
As at 31 December 2020	1,441	11,447	12,888
Depreciation for the year	2,249	22,893	25,142
As at 31 December 2021	3,690	34,340	38,030
<b>Net Book Value</b>			
<b>As at 31 December 2021</b>	<b>5,511</b>	<b>34,339</b>	<b>39,850</b>
<b>As at 31 December 2020</b>	<b>3,745</b>	<b>57,232</b>	<b>60,977</b>

### 15 Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£	£		£
<i>Current</i>				
Prepayments	5,680	10,818	4,200	-
Trade Debtors	740	444	-	-
Other debtors	27,828	8,860	-	-
Amounts owed by Group undertakings – current	-	-	21,573	-
<i>Non-Current</i>				
Amounts owed by Group undertakings – non-current	-	-	2,196,601	1,739,398
	34,248	20,122	2,222,374	1,739,398

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting year as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	
Cash and cash equivalents	142,033	9,914	120,478	23

The carrying amount of cash and cash equivalents approximates to its fair value.

### 17 Share capital

	Number of shares	Ordinary share capital £
<b>Allotted, called up and fully paid</b>		
Balance as at 1 January 2020	9,419,017	9,419,017
Shares issued in the year in the parent	188,334	188,334
<b>Balance as at 31 December 2020</b>	<b>9,607,351</b>	<b>9,607,351</b>
Shares issued during the year in the parent	1,661,329	1,661,329
<b>Balance as at 31 December 2021</b>	<b>11,268,680</b>	<b>11,268,880</b>

During the year ended 31 December 2021, the Company issued a total of 1,661,329 Ordinary Shares as follows including 952,250 for a non-cash consideration:

- On the 10 March 2021 the Company allotted and issued 32,500 Ordinary Shares to raise £65,000.
- Between the 10 March 2021 and 15 March 2021, the Company allotted and issued 50,000 Ordinary Shares in exchange for services rendered, 159,981 Ordinary Shares for the conversion of the principal and accrued interest on convertible loan notes totaling £191,977 and 10,000 Ordinary Shares to raise £20,000.
- On the 25 March 2021 the Company allotted and issued 22,500 Ordinary Shares to raise £45,000.
- Between the 29 March 2021 and 7 April 2021, the Company allotted and issued 36,000 Ordinary Shares to raise £72,000.
- Between 1 July 2021 and 11 October 2021, the Company allotted and issued 122,000 Ordinary Shares to raise £244,000 and 263,598 Ordinary Shares for the conversion of the principal and accrued interest on convertible loan notes totaling £474,477.

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

- Between 3 November 2021 and 22 November 2021, the Company allotted and issued 902,250 Ordinary Shares at nil consideration as incentives to staff members.
- On 25 November 2021 the Company allotted and issued (conditional upon Admission) 62,500 Ordinary Shares to raise £125,000 at an issue price of £2.00 from certain private investors pursuant to the Placing.

As noted above, a total of 952,250 Ordinary Shares were issued for non-cash consideration to employees that were involved in the IPO. Such shares have been recognized as a share-based payment expense at the nominal value of the shares issued, being £952,250.

### Warrants

On Admission to the AQSE Market in December 2021, the Company agreed to grant its broker warrants to subscribe for 3,750 new Ordinary Shares exercisable at £2.00 per Ordinary Share at any time from the date of Admission for three years.

### 18 Share premium

	Group		Company	
	2021	2020	2021	2020
	£	£	£	
Premium on shares issued	593,500	65,125	593,500	65,125

### 19 Accumulated losses

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
As at 1 January	(2,263,870)	(1,809,189)	(128,317)	(65,747)
Loss for the year	(1,542,684)	(468,970)	(1,154,710)	(62,570)
<b>As at 31 December</b>	<b>(3,806,554)</b>	<b>(2,278,159)</b>	<b>(1,283,027)</b>	<b>(128,317)</b>

### 20 Liabilities

#### Non-current liabilities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<b>Convertible loan notes</b>				
As at 1 January	169,305	169,305	169,305	169,305
Issued during the year	-	-	-	-
Repaid/converted in year	(169,305)	(53,773)	(169,305)	(53,773)
<b>As at 31 December</b>	<b>-</b>	<b>169,305</b>	<b>-</b>	<b>169,305</b>
<b>Lease liability</b>				
As at 1 January	33,003	33,003	-	-
Change during the year	(11,755)	-	-	-
<b>As at 31 December</b>	<b>21,248</b>	<b>33,003</b>	<b>-</b>	<b>-</b>
<b>Total non-current liabilities</b>	<b>21,248</b>	<b>202,308</b>	<b>-</b>	<b>169,305</b>

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The convertible loan notes are repayable 24 months after issue. The loan notes carry a coupon rate of 15% per annum with the interest payable 6 monthly from the date of issue and is unsecured. These loans were convertible at the market rate and there is consequently no equity element on these loans as they fail the fixed for fixed criteria.

The lease liability represents the future payments due under the current operating lease for Ezylet Ltd (Gibraltar). On 1 July 2020 the Company moved to a larger office and so the historic lease expired. The new lease was signed for a period of 3 years. The incremental borrowing rate applicable to the lease is 5.5%.

### Current liabilities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade payables	98,822	64,626	43,638	-
Taxation and social welfare	27,918	62,228	(23,444)	-
Amounts due to related parties	275,000	671,653	200,627	478,043
Accruals	78,460	72,065	31,253	48,415
Lease liability	14,504	25,000	-	-
<b>Total current liabilities</b>	<b>494,704</b>	<b>895,572</b>	<b>252,074</b>	<b>526,458</b>

### 21 Cash consumed in operations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Operating loss	(1,464,190)	(418,791)	(1,109,628)	(15,572)
Adjustments for:				
Amortisation & Depreciation	126,278	116,942	-	-
Lease modification expense	-	4,453	-	-
Share-based payment expense (Note 18)	952,250	-	952,250	-
Changes in working capital:				
- (Increase) / decrease in trade and other receivables	(14,126)	(6,350)	(482,976)	(384,037)
- Increase / (decrease) in trade and other payables	(412,623)	(14,904)	(274,384)	(2,840)
	<b>(812,411)</b>	<b>(318,650)</b>	<b>(914,738)</b>	<b>(402,449)</b>

# RENTGUARANTOR HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Related party transactions - Company

Amounts due to related parties – non-current	2021 £	2020 £
Digital Real Estates Limited	-	-
Southpaw Limited	-	169,305
	<hr/>	<hr/>
	-	169,305
<b>Amounts due to related parties - current</b>		
Digital Real Estates Limited	-	59,483
Loan from Paul Foy	200,000	291,110
Southpaw Limited	75,000	279,160
	<hr/>	<hr/>
	275,000	629,753

Digital Real Estates Limited and Southpaw Limited is related by virtue of having common controlling parties.

The loans from Paul Foy and Southpaw Limited are unsecured, interest-free and repayable on demand.

Movement relates to repayments during the year and loans converted into shares.

### 23 Contingent liabilities

The Group has no contingent liabilities in respect of legal or other financial claims arising from the ordinary course of business.

### 24 Subsequent events

On 8 June 2022 RentGuarantor announced that a total of £1,000,000 had been raised through the issue of 6% coupon unsecured convertible loan notes 2022 (the "Notes"). Paul Foy, CEO of RentGuarantor, has subscribed to Notes in an amount of £500,000.

Interest on the Notes accrues yearly at 6%. Such interest is to be paid on the first, second- and third-year anniversaries of the deed entered into by the Company on 7 June 2022 (the "Deed").

The Company may convert the principal sum into fully paid Ordinary Shares at the lower of the share price of the Ordinary Shares of the Company on the day falling 10 business days after the service of a conversion notice (such notice to be served no later than 1 April 2025) and £2.10.

The Notes, if not converted, are to be redeemed at the principal amount together with a redemption premium of £0.10 for every £1 of the principal amount, and pro rata for any larger or smaller amount on the third-year anniversary of the Deed.

The proceeds of all subscriptions for the Notes will be used to fund the Company's further working capital and capital expenditure requirements for the time being. In particular, the Company envisages hiring additional staff and implementing the Company's marketing plan following being granted the status and title of Recognised Supplier by the National Residential Landlord Association ("NRLA") and the status and title of Industry Supplier by Propertymark Ltd ("Propertymark"), the governing body for estate agents in the UK.

### 25 Controlling party

There is no controlling party in the Company.

