Company Registration No. 10510999 (England and Wales)

# RENTGUARANTOR HOLDINGS PLC

# GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2022

# CONTENTS

# RENTGUARANTOR HOLDINGS PLC

## DIRECTORS, SECRETARY AND ADVISORS

| | |
|---|---|
| **Directors** | Graham Duncan (Non-Executive Chairman)<br>Paul Foy<br>Emma Foy<br>Kieron Becerra<br>Peter Coleman |
| **Corporate Secretary** | MSP Secretaries Ltd<br>27 – 28 Eastcastle Street<br>London W1W 8DH |
| **Company number** | 10510999 |
| **Registered office** | Finsgate<br>5-7 Cranwood Street<br>London<br>EC1V 9EE |
| **Registrars** | Share Registrars Limited<br>Molex House<br>The Millenium Centre<br>Crosby Way<br>Farnham<br>Surrey GU9 7XX |
| **AQSE Corporate advisor** | Alfred Henry Corporate Finance Limited<br>Finsgate<br>5-7 Cranwood Street<br>London EC1V 9EE |
| **Broker** | Optiva Securities Limited<br>49 Berkeley Square<br>London W1J 5AZ |
| **Auditors** | Jeffreys Henry LLP<br>Finsgate<br>5-7 Cranwood Street<br>London<br>EC1V 9EE |
| **Bankers** | NatWest International<br>PO Box 11<br>16 Library Place<br>St Helier<br>JE4 8NH |
| **Website** | www.rentguarantor.com |

Rentguarantor Holdings PLC is listed on the Apex segment of the Aquis Stock Exchange with a TIDM of RGG

## CHAIRMAN’S STATEMENT

I am pleased to present my second Chairman’s report and an update on our activities for the year ended 31 December 2022.

During 2022 we have continued to build the business following our admission to the AQSE Growth Market in late 2021 and these efforts are reflected in a continuation of our growth in revenues and an increased prominence in the market. Our focus has been on the rent guarantee services and raising the market’s awareness of our services.

We have also strengthened our governance procedures and were delighted to have Peter Coleman join the board as a Non-Executive Director in February 2023. These changes are central to the growth of its business model as is our ongoing investment in our technology platform.

The year has not been without its challenges and interest rates have risen rapidly from record lows. Inflation continues to put pressure on household budgets and the marketplace generally. This has caused both landlords and tenants to re-assess their property aspirations but at the same time this has emphasised the need for the Company’s services across the property rental sector. We have given considerable attention to the adjustments taking place in the market and have carefully manged the risks to our growth strategy. Our cautious but focused approach holds the business in a strong position to meet the economic and regulatory headwinds faced by tenants and landlords alike.

We have prudently managed our cost base and raised additional capital from our shareholders during the year to support our growth plans and manage working capital.

I am pleased that despite the uncertain economic conditions, the Group has continued to achieve growth in revenues and build its market presence. In March 2023, the Company joined the Apex segment of the Aquis Stock Exchange which we believe will further enhance our growth strategy. RentGuarantor has been nominated for an AQUIS Company of the Year award at the Small Cap Awards to be held in June. This is, I believe, recognition of the hard work of everyone connected with the Company.

The results we are reporting today show the significant progress that has been made in our first full year as a listed company and are a direct result of our focus on providing the very best products and customer service.

**Financial Results**

The Group delivered significant revenue growth in FY22 of 72% to £414,000 and a reduced level of losses. As a result of the capital raised in the year, the Group has remained in a positive cash position and our balance sheet provides a strong platform to achieve further growth in 2023.

**People**

Again, none of this success would be possible without the passion and commitment shown by our staff and directors. 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 continued to review our governance procedures and the recent addition of Peter Coleman as a Non-Executive Director has added additional strength and oversight to the Board. I am grateful for the contributions that the management team has provided throughout the year.

**Summary and Outlook**

I am pleased to say that the investment in marketing, technology and people in 2022 is continuing to be reflected in our growth in the first few months of 2023. We are however seeing only a small reduction in inflation and interest rates are unlikely to fall for some time. We operate in an environment where the market can change quickly. Our careful management of these changes and the inherent risks underpin our approach to growing the business. We will continue to review market developments and to invest in our team and core services to support our growth plans.

The economic and geo-political environments are evolving, and we continue to take a cautious but considered approach to the Group's long-term strategy. We believe that the long-term opportunity remains significant.

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

Graham Duncan

Non-Executive Chairman

29 June 2023

## STRATEGIC REPORT - EXECUTIVE DIRECTORS' STATEMENT

**Financial & Operational Highlights**

- **RentGuarantor completes its first year on the AQUIS stock exchange in London**
- **RentGuarantor nominated for an AQUIS Company of the Year at the "Small Cap Awards"**
- **Commenced design and development of Fourth Generation RentGuarantor Platform**
- **Increased customer services staff in response to demand**
- **Revenue of £414k up year on year by 72%**
- **Arrears claims running at 1.6% of total revenue.**

### Key Performance Indicators

The Group uses some strategic key performance indicators ("KPIs") to measure our financial and non-financial performance. The KPIs, to be utilised from 2023, are linked to our strategic objectives to help assist in the measure of business performance.

The most important KPI in 2022 has been the number of guarantee contracts sold.

- **Completed 714 (2021: 423) Rent Guarantee contracts up 69% year on year**

**The Rental Market**

Demand for rented homes, and rental inflation, took off as the economy reopened in the spring of 2021 and continued during 2022. New visa rules attracted a major inflow of students and others for work. With a third fewer homes available for rent than normal, demand per available rental home spiked even higher last year by approximately 250% above the 5-year average.

Demand for rented homes remains 10% higher than this time last year. Rents will continue to rise ahead of incomes unless we see a sustained increase in rental supply or a material weakening in demand, both of which appear unlikely at this stage.

A jump in student numbers also boosted migration. Overseas students studying in the UK totalled 680,000 in 2021/22, up 122,000 in 2 years thanks to new visa rules.

Rents have risen by 20% in 3 years - an extra £2,220 a year - which is an ongoing concern for renters, especially those on lower incomes and/or in receipt of housing benefit. With such volatility in the market, RentGuarantor is ready to lead as an industry supplier in providing surety to both tenants and landlords.

RentGuarantor revenue continues with strong growth of 71.8% YoY in 2022 and is expected that property market conditions will facilitate further growth in 2023.

**AQUIS Stock Exchange**

The Company listed on the AQUIS Market on the 8th of December 2021, with a valuation of £23m. The share price during 2022/2023 has risen by 33% and currently stands at £2.74 a share and a market cap of £31.73m.

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 provided a sound base for the Company's ambitions during the year.

The primary goal during 2022 was to build on our strategic partnerships and marketing initiatives to support long-term growth of the business. We believe have achieved this goal and many agreements with strategic partners have been signed with industry suppliers.

**Climate Change**

We believe it is our corporate responsibility to deliver returns by being a responsible investor and partner in all the communities in which we engage. Minimising our impact on the environment is a strong company focus, and this includes reducing our carbon footprint, for example, in keeping business travel to a minimum by utilising online video platforms to conduct meetings where practical.

The Group has started the process of integrating the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Development Goals (SDG) disclosures and will be added in future reporting.

**Employee and Greenhouse Gas (GHG) Emissions**

The Company seeks to minimise carbon or greenhouse gas emissions. The Group uses less than 40,000 kWh of energy per annum. It does not have responsibility for any emissions producing sources under the Companies Act 2006.

**Staff**

RentGuarantor operates within a favourable framework for labour relations based on a non-discriminatory, equal opportunities employment system that respects diversity and facilitates communication at all levels of the Group. The Group provides a healthy and safe working environment by implementing the best available international practices and procedures.

**Equal Opportunity**

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender. The Company promotes and encourages employee involvement wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Group's success.

We currently have 14 staff across all the disciplines of the business. We intend to increase the staff count progressively, building capacity for expansion of the business during 2023 and beyond.

Currently under discussion to assist expansion are a systems architect, data analyst and in-house legal. It is also expected that additional relationship managers will be recruited to support the large number of business enquiries being experienced.

In addition, we have commenced the design and development of our fourth generation RentGuarantor platform. The emphasis contained within the design is to cater for scalability of our business model using the latest technology such as Open Banking and artificial intelligence (AI) to help us meet our corporate goals.

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

**Gender Analysis**

- A split of our directors by gender at the end of the financial year is: Male: three and Female: one.
- A split of our senior managers by gender at the end of the financial year is: Male: one and Female: nil.
- A split of our employees by gender at the end of the financial year is: Male: five and Female: nine.

The Board recognizes the need to operate a gender diverse business and will ensure this is reviewed during 2023. The Board will also ensure any future employment considers the necessary diversity requirements and compliance with all employment law. The Board is satisfied that it has the experience and sufficient training and qualifications to operate this business at this stage of its development.

**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 and loan notes. As a result of these actions, the Board believes that this risk level is lower than at the same time last year.

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.

To support the retention of staff, the board has agreed to set up a share option scheme and to implement a performance bonus scheme.

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 impact of economic and social events have had knock on consequences for the whole world during 2022. We expect that many of these factors will continue for the remainder of 2023 and RentGuarantor will proceed with caution as we adjust to managing risk in the current economic climate.

We are expecting to see further upward pressures on interest rates, utilities, and food. All placing a strain on tenant affordability. The demand for rental accommodation way exceeds the supply during the year. This coupled with legislation changes being discussed will further compound an already difficult private rental sector.

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.

*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

**Paul Foy**
**CEO**

29 June 2023

## DIRECTORS' REPORT
## *FOR THE YEAR ENDED 31 DECEMBER 2022*

The directors present their report and financial statements for the year ended 31 December 2022.

**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.

**Research and Development**

R & D policy can be found with reference to Note 2.11.

**Other Non-Financial Information**

The Board acknowledges that a strong business relationship with current and future service providers and future customers is a vital part of the growth.

We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that where possible their wishes are duly considered.

Policies and procedures have been established for strong corporate governance including anti-corruption and anti-bribery matters.

**Results and dividends**

The results for the year are set out on page 24.

**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 2023.

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

As more fully described in Note 20 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 or strategic growth.

**Directors**

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

Graham Duncan
Paul Foy
Kieron Becerra
Emma Foy
Peter Coleman (Appointed 01/02/2023)

**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:

| | 2022 | 2021 |
|---|---|---|
| Graham Duncan | 50,000 | 50,000 |
| Paul Foy (including shares held through Southpaw Limited, Ruvso Holdings Limited and JIM Nominees) | 4,881,280 | 4,458,486 |
| Kieron Becerra | 200,000 | 200,000 |
| Emma Foy | 1,000 | 1,000 |
| Peter Coleman | 225,000 | 225,000 |

| Directors' remuneration for the year ended 31 December 2022 | 2022 | 2021 |
|---|---|---|
| Graham Duncan | £30,000 | £2,500 |
| Paul Foy | £150,000 | £81,350 |
| Kieron Becerra | £30,000 | £2,500 |
| Emma Foy | £70,003 | £36,182 |
| Peter Coleman | £- | £- |

All remuneration comprises fees and salaries. The executive directors of RentGuarantor Holdings PLC are not entitled to any bonuses on Group results as at 31 December 2022.

**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.

**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.

**Auditors**

Jeffreys Henry LLP has indicated that it will not seek re-appointment as the Company's Auditor at the Annual General Meeting as, following a business reorganisation, the firm will provide audit services to clients from another company in the Group, Gravita Audit Limited. A resolution to appoint Gravita Audit Limited as the Company's Auditor will be proposed at the Annual General Meeting.

By order of the Board

Paul Foy

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

29 June 2023

## 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 (IFRS). 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 IFRS as adopted by the UK.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

On behalf of the board

Paul Foy

**Mr Paul Foy**
Director
29 June 2023

## 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 12 to the Consolidated Financial Statements. Details of the Directors who have served during the year and up to the date of this report 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 |
| Peter Coleman | Non-Executive Director | 1 February 2023 |

**Composition**

The RentGuarantor Board comprises three Executive Directors and one Non-Executive Director and a 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.

Directors are expected to attend at least four Board meetings each year. The Board aims to meet at least 6 times per annum however, the Board meets more frequently than this on an ad hoc basis.

The Company reports annually on the number of Board meetings that have been held and the attendance record of individual directors. During the year, six Board meetings were held. The attendance of the Directors was as follows:

| Board meetings in 2022 | Paul Foy | Graham Duncan | Kieron Becerra | Emma Foy |
|---|---|---|---|---|
| Total | 6 | 6 | 5 | 5 |

**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 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.

# Independent Auditor's Report to the Members of RentGuarantor Plc For the year ended 31 December 2022

**Opinion**

We have audited the financial statements of RentGuarantor Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement 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 2022 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.

**Material uncertainty 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.

We draw your attention to the primary statements within these financial statements, which indicates that the group incurred a loss of £0.9m and had net cash outflows from operating activities of £0.9m for the year ended 31 December 2022. In addition, the matters explained in note 2.1 indicate that the Group has been dependant on previous fund raises and also cash raised through the issue of convertible loan notes. Going forward, the Group intends to raise further funds to continue the expansion of the group. If the fundraise does not occur for any reason, then that may cast significant doubt on the Group and Company's ability to continue as a going concern. If the fundraise is unsuccessful, and further noted within note 2.1, the Group notes the potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending.

**Material uncertainty relating to going concern (Cont.)**

Together, these events indicate the existence of a material uncertainty which may cast significant doubt over the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- detailed review of management's forecasts and cash flow analysis, and their going concern assessment;
- assessment of the reliability of forecasts to date by agreeing historical actuals to budgets, and challenging the current forecasts;
- tested the clerical accuracy of management's forecast;
- challenged management's forecast assumptions, and inputs including reviewing the forecast revenue and corroborated the assumptions over the conversion of new contracts and the levels of costs that are forecast.
- we reviewed the latest management accounts to gauge the financial position;
- we performed sensitivity analysis on the cash flow forecasts prepared by the directors;
- considered the Group's historic ability to raise funds; and
- considered the appropriateness of the Company's disclosures in relation to going concern in the financial statements

We note that management have indicated other measures that can be implemented if the fund raise is delayed or does not happen which centre around cost deferral, scaling back activities and further cost cutting exercises. As such, in auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

The going concern assumption key audit matter and our response has been disclosed in the 'Material uncertainty relating to going concern' section of our report and is not repeated here.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of intangible assets**<br><br>During the year, the group acquired intangible assets with a fair value of £77,938 and with a useful economic life of 3 years. Consequently, the group carried intangible assets of £272,027 (2021: £305,446) at the yearend relating to intellectual property and computer software.<br><br>The risk is that the useful economic life of the intangible assets may be different to the management assumptions or | We have performed the following audit procedures:<br><br>• confirmed cost and useful life by reviewing the underlying contracts for purchase of the intangible assets;<br><br>• performed a recalculation of amortisation charge for year; |

| | |
|---|---|
| technological advancements may render its market value below its carrying value. | • 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;<br><br>• 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;<br><br>• reviewed cash flow forecasts for the foreseeable future to assess the potential future economic benefit from ownership of the intangible assets.<br><br>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. |
| **Valuation of investments in and recoverability of amounts due from subsidiaries**<br><br>The parent company carried Investments in subsidiaries of £8,500,501 (2021: £8,500,501).<br><br>The parent company also had amounts owed by subsidiary undertakings of £2,909,838 (2021: £2,218,174) at the year end.<br><br>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.<br><br>The directors have assessed the recoverability of intercompany balances and have concluded that they are recoverable.<br><br>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. | We have performed the following audit procedures:<br><br>• reviewed management's assessment of future operating cashflows and indicators of impairment;<br><br>• 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;<br><br>• 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;<br><br>• confirmed that any adverse changes in key assumptions would not materially increase the impairment loss;<br><br>• challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at the expected revenues for the foreseeable future;<br><br>• assessed the appropriateness and applicability of discount rate applied to the current business performance; |

| | |
|---|---|
| | • assessed the reasonability of cash outflows, including contracted costs, research expenditure and expected capital expenditure; and<br><br>• reviewed the latest management accounts for all entities in the group to confirm reasonability of assumption used in the cashflow forecast.<br><br>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 impairment loss should be recognised in the parent company financial statements. |

**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 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 | £91,000 (2021: £28,000) | £64,000 (2021: £20,000) |
| How we determined it | Based on 10% net loss (2021: Based on 1% gross assets) | Based on 1% of Gross Assets (2021: 1% of Gross Assets) – limited to a percentage of group materiality. |
| Rationale for benchmark applied | We believe that net loss is the primary measure used by the shareholders in assessing the performance of the Group as the group is trading and the results are a key measure for shareholders. | We believe that Gross Assets are a primary measure used by shareholders in assessing the financial position of the company, 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 the remaining components was between £12,000 and £24,000.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £4,550 (Group audit) (2021: £1,400) and £3,200 (Company audit) (2021: £1,350) 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 three reporting units, comprising the Group's operating businesses and holding company. We performed audits of the complete financial information for Rentguarantor Plc, Ezylet Limited and Rentguarantor Limited reporting units, which were individually financially significant.

**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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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*.

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.

Jan Charlesworth (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry LLP Chartered Accountants, Statutory Auditor
Finsgate
5-7 Cranwood Street
London EC1V 9EE
29 June 2023

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
### *FOR THE YEAR ENDED 31 DECEMBER 2022*

| | Notes | Year ended 31-Dec 2022 £ | Year ended 31-Dec 2021 £ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | | 414,078 | 241,033 |
| Direct costs | | (100,549) | (71,568) |
| **Gross profit** | | 313,529 | 169,465 |
| Administrative expenses | | (1,180,375) | (1,675,673) |
| **Operating loss** | 6 | (866,846) | (1,506,208) |
| Finance costs | 8 | (43,932) | (35,705) |
| **Loss on ordinary activities before taxation** | | (910,778) | (1,541,913) |
| Income tax expense | 9 | - | - |
| **Loss for the year** | | **(910,778)** | **(1,541,913)** |
| **Loss per share (expressed in pence per share)** | 10 | **(8.03)** | **(15.19)** |

There is no other comprehensive income for the year (year ended 31 December 2021: nil).

The notes on pages 31 to 47 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
### *AS AT 31 DECEMBER 2022*

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | **13** | 272,027 | 305,446 |
| Right of use assets | **14** | 11,446 | 34,339 |
| Tangible assets | **14** | 9,708 | 5,511 |
| | | 293,181 | 345,296 |
| **Current assets** | | | |
| Trade and other receivables | **15** | 28,648 | 34,248 |
| Cash and cash equivalents | **16** | 91,887 | 142,033 |
| | | 120,535 | 176,281 |
| **Total assets** | | **413,716** | **521,577** |
| **Equity and liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Ordinary shares | **17** | 11,581,175 | 11,268,680 |
| Share premium | **18** | 796,621 | 593,500 |
| Reorganisation reserve | | (8,050,001) | (8,050,001) |
| Accumulated losses | **19** | (4,717,332) | (3,806,554) |
| | | (389,537) | 5,625 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Loans | **20** | 500,000 | - |
| Lease liability | **20** | - | 21,248 |
| | | 500,000 | 21,248 |
| **Current liabilities** | | | |
| Trade and other payables | **20** | 289,565 | 480,200 |
| Lease liability | **20** | 13,688 | 14,504 |
| | | 303,253 | 494,704 |
| **Total liabilities** | | 803,253 | 515,952 |
| **Total equity and liabilities** | | **413,716** | **521,577** |

The notes on pages 31 to 47 form part of these financial statements.

Approved by the Board and authorised for issue on 29 June 2023

Paul Foy

Mr Kieron Becerra
**Director**
Company Registration No. 10510999

Mr Paul Foy
**Director**

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF FINANCIAL POSITION
### *AS AT 31 DECEMBER 2022*

| | Notes | 2022<br>£ | 2021<br>£ |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment in subsidiary | **12** | 8,500,501 | 8,500,501 |
| Trade and other receivables | **15** | 2,834,343 | 2,196,601 |
| | | 11,334,844 | 10,697,102 |
| **Current assets** | | | |
| Trade and other receivables | **15** | 77,620 | 25,773 |
| Cash and cash equivalents | **16** | - | 120,478 |
| | | 77,620 | 146,251 |
| **Total assets** | | **11,412,464** | **10,843,353** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Ordinary shares | **17** | 11,581,175 | 11,268,680 |
| Share premium | **18** | 796,621 | 593,500 |
| Accumulated losses | **19** | (1,529,267) | (1,270,901) |
| | | 10,848,529 | 10,591,279 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Loans | **20** | 500,000 | - |
| | | 500,000 | - |
| **Current liabilities** | | | |
| Trade and other payables | **20** | 63,935 | 252,074 |
| **Total liabilities** | | 563,935 | 252,074 |
| **Total equity and liabilities** | | **11,412,464** | **10,843,353** |

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 £258,366 (2021: Loss of £1,142,584).

The notes on pages 31 to 47 form part of these financial statements. Approved by the Board and authorised for issue on 29 June 2023.

Mr Kieron Becerra
**Director**

Mr Paul Foy
**Director**

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS
*FOR THE YEAR ENDED 31 DECEMBER 2022*

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **Cash outflows from operating activities** | | | |
| Cash consumed in operations | **21** | (910,155) | (812,411) |
| **Net cash outflows from operating activities** | | **(910,155)** | **(812,411)** |
| Expenditure on non-current assets | | (8,737) | (4,014) |
| Expenditure on intangible assets | | (77,938) | (58,900) |
| **Net cash outflows from investing activities** | | **(86,675)** | **(62,914)** |
| **Cash flows from financing activities** | | | |
| Receipts from issue of convertible loans | | 1,000,000 | 497,149 |
| Finance costs paid | | (43,932) | (35,705) |
| Lease repayments | | (25,000) | (25,000) |
| Proceeds from issue of shares | | 15,616 | 571,000 |
| **Net cash inflows from financing activities** | | **946,684** | **1,007,444** |
| **Net increase / (decrease) in cash and cash equivalents** | | **(50,146)** | **132,119** |
| Cash and cash equivalents at the beginning of the year | | 142,033 | 9,914 |
| **Cash and cash equivalents at the end of the year** | | **91,887** | **142,033** |

The notes on pages 31 to 47 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF CASH FLOWS
### *FOR THE YEAR ENDED 31 DECEMBER 2022*

| | Notes | 2022<br>£ | 2021<br>£ |
|---|---|---|---|
| **Cash outflows from operating activities** | | | |
| Cash consumed in operations | **21** | (1,093,656) | (914,738) |
| **Net cash outflows from operating activities** | | **(1,093,656)** | **(914,738)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Receipts from issue of convertible loans | | 1,000,000 | 497,149 |
| Finance costs paid | | (42,438) | (32,956) |
| Proceeds from issue of shares | | 15,616 | 571,000 |
| **Net cash inflows from financing activities** | | **973,178** | **1,035,193** |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **(120,478)** | **120,455** |
| | | | |
| Cash and cash equivalents at the beginning of the year | | 120,478 | 23 |
| | | | |
| **Cash and cash equivalents at the end of the year** | | **-** | **120,478** |

The notes on pages 31 to 47 form part of these financial statements

# RENTGUARANTOR HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
### *FOR THE YEAR ENDED 31 DECEMBER 2022*

| | Share Capital | Share Premium | Reorganisation Reserve | Accumulated Losses | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **As at 31 December 2020** | **9,607,351** | **65,125** | **(8,053,501)** | **(2,278,159)** | **(659,184)** |
| 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) |
| **As at 31 December 2021** | **11,268,680** | **593,500** | **(8,050,001)** | **(3,806,554)** | **5,625** |
| Share capital issued | 312,495 | 203,121 | | - | 515,616 |
| Loss for the year | - | - | | (910,778) | (910,778) |
| **As at 31 December 2022** | **11,581,175** | **796,621** | **(8,050,001)** | **(4,717,332)** | **(389,537)** |

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 31 to 47 form part of these financial statements.

# RENTGUARANTOR HOLDINGS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY
### *FOR THE YEAR ENDED 31 DECEMBER 2022*

| | Share Capital | Share Premium | Accumulated Losses | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **As at 31 December 2020** | **9,607,351** | **65,125** | **(128,317)** | **9,544,159** |
| Share capital issued | 1,661,329 | 528,375 | - | 2,189,704 |
| Loss for the year | - | - | (1,142,584) | (1,142,584) |
| **As at 31 December 2021** | **11,268,680** | **593,500** | **(1,270,901)** | **10,591,279** |
| Share capital issued | 312,495 | 203,121 | - | 515,616 |
| Loss for the year | - | - | (258,366) | (258,366) |
| **As at 31 December 2022** | **11,581,175** | **796,621** | **(1,529,267)** | **10,848,529** |

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 31 to 47 form part of these financial statements.

### 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. On 1 March 2023 the Company joined the Apex segment of the Aquis Stock Exchange.

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 (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS 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.

**Preparation of financial statements**

The preparation of financial statements in conformity with IFRS 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 £910,778 on continuing operations and experienced net cash outflows from operating activities of £910,155. The Group’s cash balances at 31 December 2022 were £91,887.

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 and subsequently as well as loans made to the Company.

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 20 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.

Based on current and expected expenditure the Group will require additional funding in order to progress the expansion plans within the next 12 months. There is a chance that the process of raising additional funds will not be successful and if this were the case, the Group has an ongoing commitment to keep costs and working capital under control so that increasing gross profits can drive positive cash flows. Detailed sensitivity analysis has been performed to assess the potential impact on the Group's liquidity caused by delays in revenue growth against expected levels along with potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending. Given these actions and combined with the continued progress of the underlying positive development of the general business activities, the board is convinced the Company and Group have sufficient cash flows for operations for the coming 12 months period.

Given that the outcome of the additional fund raise cannot be predicted, which may indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern, the principal shareholder has provided evidence of liquidity and commitment to support the business going forward. 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 2022 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

The new standards effective for annual periods beginning on or after 1 January 2023, 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.

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 IFRS 9 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) 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.

### 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 instruments**

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification
The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI.

The entity will recognise a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the entity measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group classifies financial assets as amortised costs only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition
Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments
Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) Impairment
The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*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.

*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.

### 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.

### 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. During 2022 the sum expensed was £72,657.

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.

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 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.

## 6 Operating loss

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| *Operating loss is stated after charging:* | | |
| Amortisation of intangible assets | 109,524 | 124,029 |
| Depreciation | 29,265 | 2,249 |
| Directors' emoluments | 250,003 | 120,032 |
| Wages and salaries | 187,471 | 62,508 |
| Share-based payment expense | - | 952,250 |
| Staff recruitment | 7,000 | - |
| Audit fees | 27,750 | 16,930 |
| Non-audit fees | - | 11,126 |
| Accountancy | 126 | 6,923 |
| Legal and professional fees | 56,724 | 55,526 |
| Advertising and marketing | 246,280 | 52,017 |
| Rent and rates | 3,388 | 7,186 |
| Other expenses | 262,844 | 115,801 |
| Cost of IPO | - | 149,096 |
| **Total administrative expenses** | 1,180,375 | 1,675,673 |

## 7 Employee benefit expense

| | 2022 | 2021 |
|---|---|---|
| **Employees and Directors** | £ | £ |
| Directors' emoluments | 250,003 | 120,032 |
| Wages and salaries | 187,471 | 62,508 |
| Social security costs | 18,545 | 12,589 |
| Directors' social security costs | 7,832 | 11,880 |
| | 463,852 | 207,009 |

Key management personnel are the directors of the Group and their remuneration is disclosed in the Directors’ report. The highest paid director is Paul Foy, CEO, who is paid a salary of £150,000 (2021: £81,350) with no other emoluments or benefits.

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

| | 2022 | 2021 |
|---|---|---|
| | Number | Number |
| Directors | 4 | 4 |
| Staff | 6 | 4 |
| | 10 | 8 |

**8 Finance cost**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Lease interest | 1,494 | 2,749 |
| Loan interest payable | 42,438 | 32,956 |
| | 43,932 | 35,705 |

**9 Taxation**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| **Total current tax** | - | - |
| | | |
| **Factors affecting the tax charge for the year** | | |
| Loss on ordinary activities before taxation | (910,778) | (1,541,913) |
| | | |
| Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2021 - 19%) | (173,048) | (292,963) |
| | | |
| Effects of: | | |
| Tax losses brought forward | - | 63,707 |
| Non-deductible expenses | 514 | 145,274 |
| Capital allowances claimed | 796 | - |
| Tax losses carried forward | 171,738 | 83,982 |
| **Current tax charge for the year** | - | - |

The Parent Company has excess management expenses of £253,033 (2021: £83,982) available to carry forward. The Group's deferred tax assets at a rate of 19% at the year end of £637,226 (2021: £457,462) 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 £651,613 (2021: £364,777) available for carry forward against future trading profits. The deferred tax assets at a rate of 10% (2021: 10%) at the year-end of £65,161 (2021: £36,478) 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:

| | 2022 | 2021 |
|---|---|---|
| Losses attributable to ordinary shareholders | (910,778) | (1,541,913) |
| Weighted average number of shares | 11,349,158 | 10,149,179 |
| Basic and diluted loss per share (pence) | (8.03) | (15.19) |

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.

### 11 Dividends

No dividends were paid or proposed for the year ended 31 December 2022.

### 12 Fixed asset investments - Company

| | 2022 | 2021 |
|---|---|---|
| | **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 2022, 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 | UK | Online property portal | 100.00 |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
***FOR THE YEAR ENDED 31 DECEMBER 2022***

**13 Intangible assets- Group**

| | Trademarks | Database | Domain names | Computer software | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost or valuation** | | | | | |
| As at 1 January 2021 | 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 |
| Additions | - | - | 5,281 | 72,657 | 77,938 |
| Reclassification/correction | 880 | - | - | (880) | - |
| As at 31 December 2022 | 14,757 | 465,753 | 7,692 | 570,383 | 1,058,585 |
| **Accumulated amortisation** | | | | | |
| As at 1 January 2021 | 13,709 | 197,944 | 2,411 | 360,000 | 574,064 |
| Amortisation for year | 57 | 46,576 | - | 54,504 | 101,137 |
| As at 31 December 2021 | 13,766 | 244,520 | 2,411 | 414,504 | 675,201 |
| Amortisation for year | 176 | 46,575 | 5,281 | 59,325 | 111,357 |
| Reclassification/correction | 124 | - | - | (124) | - |
| As at 31 December 2022 | 14,066 | 291,095 | 7,692 | 473,705 | 786,558 |
| **Net book value** | | | | | |
| **As at 31 December 2022** | **691** | **174,658** | **-** | **96,678** | **272,027** |
| **As at 31 December 2021** | **111** | **221,233** | **-** | **84,102** | **305,446** |

Amortisation of intangible assets is included as part of administration expenses in the consolidated statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
### *FOR THE YEAR ENDED 31 DECEMBER 2022*

**14 Tangible assets – Group**

| | Computer equipment | Right of use asset – leasehold property | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost or Valuation** | | | |
| As at 1 January 2021 | 5,186 | 68,679 | 73,865 |
| Additions | 4,014 | - | 4,014 |
| As at 31 December 2021 | 9,200 | 68,679 | 77,879 |
| Additions | 8,737 | - | 8,737 |
| As at 31 December 2022 | 17,937 | 68,679 | 86,616 |
| | | | |
| **Accumulated depreciation** | | | |
| As at 1 January 2021 | 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 |
| Depreciation for the year | 4,539 | 22,893 | 27,432 |
| As at 31 December 2022 | 8,229 | 57,233 | 65,462 |
| **Net Book Value** | | | |
| **As at 31 December 2022** | **9,708** | **11,446** | **21,154** |
| | | | |
| **As at 31 December 2021** | **5,511** | **34,339** | **39,850** |

**15 Trade and other receivables**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | £ | £ | £ | £ |
| ***Current*** | | | | |
| Prepayments | 7,722 | 5,680 | 2,125 | 4,200 |
| Trade Debtors | (335) | 740 | - | - |
| Other debtors | 21,261 | 27,828 | - | - |
| Amounts owed by Group undertakings – current | - | - | 75,495 | 21,573 |
| ***Non-Current*** | | | | |
| Amounts owed by Group undertakings – non-current | - | - | 2,834,343 | 2,196,601 |
| | 28,648 | 34,248 | 2,911,963 | 2,222,374 |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
***FOR THE YEAR ENDED 31 DECEMBER 2022***

**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 | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **£** | **£** | **£** | **£** |
| Cash and cash equivalents | 91,887 | 142,033 | - | 120,478 |

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

**17 Share capital**

| | Number of shares | Ordinary share capital £ |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| Balance as at 1 January 2021 | 9,607,351 | 9,607,351 |
| Shares issued in the year in the parent | 1,661,329 | 1,661,329 |
| **Balance as at 31 December 2021** | **11,268,680** | **11,268,680** |
| Shares issued during the year in the parent | 312,495 | 312,495 |
| **Balance as at 31 December 2022** | **11,581,175** | **11,581,175** |

During the year ended 31 December 2022 the Company issued a total of 312,495 Ordinary Shares as follows:

- On 29 September 2022 David Foy converted a loan note of value £500,000 along with accrued interest of £15,616.44 for 312,495 Ordinary Shares at £1.65 each.

All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

**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. No warrants have been exercised as at 31 December 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
*FOR THE YEAR ENDED 31 DECEMBER 2022*

### 18 Share premium

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Premium on shares issued** | **796,621** | **593,500** | **796,621** | **593,500** |

### 19 Accumulated losses

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| As at 1st January | (3,806,554) | (2,263,870) | (1,270,901) | (128,317) |
| Loss for the year | (910,778) | (1,542,684) | (258,366) | (1,142,584) |
| **As at 31st December** | **(4,717,332)** | **(3,806,554)** | **(1,529,267)** | **(1,270,901)** |

### 20 Liabilities

| **Non-current liabilities** | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Convertible loan notes** | **£** | **£** | **£** | **£** |
| As at 1 January | - | 169,305 | - | 169,305 |
| Issued during the year | 1,000,000 | - | 1,000,000 | - |
| Repaid/converted in year | (500,000) | (169,305) | (500,000) | (169,305) |
| **As at 31 December** | **500,000** | **-** | **500,000** | **-** |
| | | | | |
| **Lease liability** | | | | |
| As at 1 January | 21,248 | 33,003 | - | - |
| Change during the year | (21,248) | (11,755) | - | - |
| **As at 31 December** | **-** | **21,248** | **-** | **-** |
| | | | | |
| **Total non-current liabilities** | **500,000** | **21,248** | **500,000** | **-** |

| **Current liabilities** | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **£** | **£** | **£** | **£** |
| Trade payables | 54,036 | 98,822 | 25,000 | 43,638 |
| Taxation and social welfare | 168,901 | 27,918 | - | (23,444) |
| Amounts due to related parties | 500 | 275,000 | 500 | 200,627 |
| Accruals | 66,128 | 78,460 | 38,435 | 31,253 |
| Lease liability | 13,688 | 14,504 | - | - |
| **Total current liabilities** | **303,253** | **494,704** | **63,935** | **252,074** |

### 21 Cash consumed in operations.

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Loss on ordinary activities | (910,778) | (1,541,913) | (258,366) | d |
| Adjustments for: | | - | | |
| Amortisation and depreciation | 138,789 | 126,278 | - | - |
| Lease expense | 25,000 | 42,018 | - | - |
| Finance costs | 43,932 | 35,705 | 42,438 | 32,956 |
| Share based payment expense | - | 952,250 | - | 952,250 |
| Changes in working capital: | | | | |
| - (Increase) / decrease in trade and other receivables | 5,600 | (14,126) | (689,589) | (482,976) |
| - Increase / (decrease) in trade and other payables | (212,698) | (412,623) | (188,139) | (274,384) |
| | **(910,155)** | **(812,411)** | **(1,093,656)** | **(914,738)** |

### 22 Related party transactions – Company

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| **Amounts due to related parties - current** | | |
| Southpaw Limited | - | 75,000 |
| Loan from Paul Foy | 500,000 | 200,000 |
| | 500,000 | 275,000 |

Southpaw Limited is related by virtue of having common controlling parties.

### 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

The Company has evaluated subsequent events and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

### 25 Controlling party

There is no controlling party in the Company.