

Registered number: 07227301

TRUSTEDHOUSESITTERS LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022



TRUSTEDHOUSESITTERS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEDHOUSESITTERS LTD
REGISTERED NUMBER: 07227301

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	1,257	1,847
Tangible Fixed Assets	5	46,987	32,717
		<u>48,244</u>	<u>34,564</u>
Current assets			
Debtors: amounts falling due within one year	6	663,638	196,345
Cash at bank and in hand		468,849	4,646,346
		<u>1,132,487</u>	<u>4,842,691</u>
Creditors: amounts falling due within one year	7	(17,993,188)	(11,214,286)
Net current liabilities		<u>(16,860,701)</u>	<u>(6,371,595)</u>
Total assets less current liabilities		<u>(16,812,457)</u>	<u>(6,337,031)</u>
Provisions for liabilities			
Deferred tax	8	(9,792)	(9,792)
		<u>(9,792)</u>	<u>(9,792)</u>
Net liabilities		<u>(16,822,249)</u>	<u>(6,346,823)</u>
Capital and reserves			
Called up share capital		118	118
Share premium account		272,385	272,385
Profit and loss account		(17,094,752)	(6,619,326)
		<u>(16,822,249)</u>	<u>(6,346,823)</u>

TRUSTEDHOUSESITTERS LTD
REGISTERED NUMBER: 07227301

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M R Prior
Director

Date: 27 September 2023

The notes on pages 5 to 13 form part of these financial statements.

TRUSTEDHOUSESITTERS LTD

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	118	272,385	(3,326,046)	(3,053,543)
Comprehensive income for the year				
Loss for the year	-	-	(3,293,280)	(3,293,280)
At 1 January 2022	118	272,385	(6,619,326)	(6,346,823)
Comprehensive income for the year				
Loss for the year	-	-	(10,475,426)	(10,475,426)
At 31 December 2022	118	272,385	(17,094,752)	(16,822,249)

TRUSTEDHOUSESITTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Trustedhousesitters Ltd is a private company, limited by shares and is incorporated and registered in England. The address of the company's registered office is 20-22 Wenlock Road, London, N1 7GU.

The principal activity of the Company was that of an online housesitting business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company incurred losses of £10,475,426 (2021: £3,293,280). The Directors expect the Company to continue as a going concern, and have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate this is the case, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors have also received a letter of support from its parent company, Trustedhousesitters Group Limited, confirming that it will not recall the intercompany balance owed to them for a period of at least 12 months from the date of approval of these financial statements.

In 2022 the Company has seen significant growth with more than 150% higher revenues than 2021 driven by a high growth investment strategy focusing on global marketing channels. Member acquisitions have grown from 35,000 in 2021 to 103,000 in 2022. Gross margin has remained very high at 90% which is expected to continue at that level in 2023. In October 2022 we switched from a high growth and high investment strategy to a self funded growth model, this resulted in an improved performance in Q1 and Q2 of 2023. Q1 2023 has seen us deliver an 82% year on year net revenue growth with EBITDA breaking even. We are projected to deliver c£22m net revenue for the year ending 31 December 2023.

The directors are of the opinion that the business is a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Research and development

Revenue expenditure on research and development is written off in the year in which it is incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are amortised evenly over their estimated useful life of five years.

Domain names and Computer software are both fully amortised at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or on a reducing balance basis. .

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% on reducing balance and 33% on straight line
Computer equipment	-	33% on straight line and 20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 47 (2021 - 44).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets

	Trademarks £	Domain names £	Computer software £	Total £
Cost				
At 1 January 2022	30,365	7,710	34,190	72,265
Additions	1,000	-	-	1,000
At 31 December 2022	31,365	7,710	34,190	73,265
Amortisation				
At 1 January 2022	28,518	7,710	34,190	70,418
Charge for the year on owned assets	1,590	-	-	1,590
At 31 December 2022	30,108	7,710	34,190	72,008
Net book value				
At 31 December 2022	1,257	-	-	1,257
At 31 December 2021	1,847	-	-	1,847

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	151,997	26,400	178,397
Additions	33,107	-	33,107
At 31 December 2022	185,104	26,400	211,504
Depreciation			
At 1 January 2022	123,760	21,920	145,680
Charge for the year on owned assets	16,458	2,379	18,837
At 31 December 2022	140,218	24,299	164,517
Net book value			
At 31 December 2022	44,886	2,101	46,987
At 31 December 2021	28,237	4,480	32,717

6. Debtors

	2022 £	2021 £
Other debtors	560,025	117,929
Prepayments and accrued income	103,613	78,416
	663,638	196,345

TRUSTEDHOUSESITTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	662,026	599,263
Amounts owed to group undertakings	8,574,961	6,962,471
Other taxation and social security	264,603	110,783
Other creditors	63,888	20,324
Accruals and deferred income	8,427,710	3,521,445
	<u>17,993,188</u>	<u>11,214,286</u>

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

8. Deferred taxation

	2022 £
At beginning of year	(9,792)
At end of year	<u>(9,792)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(9,792)	(9,792)
	<u>(9,792)</u>	<u>(9,792)</u>

9. Financial commitments, guarantees and contingencies

In 2021 the Company acquired funding of £4.5M from Rockpool Investments via an equity investment in its parent company, Trustedhousesitters Group Ltd.

Rockpool has secured its investment by taking out three separate fixed and floating charge arrangements covering all the property or undertaking of the Company. These remain outstanding at the year end.

In the current year, the company acquired an additional £2m loan from Trustedhousesitters Group Ltd.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Pension commitments

The Company operates a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The contributions payable by the Company charged to the profit and loss amounted to £63,869 (2021: £50,661). Contributions totalling £13,935 (2021: £12,867) were payable to the fund at the year end and are included in creditors.

11. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	101,172	45,640
Later than 1 year and not later than 5 years	16,862	-
	<u>118,034</u>	<u>45,640</u>

12. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that any subsidiary which is party to the transaction is wholly owned by such a member.

13. Controlling party

The immediate and ultimate controlling parent Company is Trustedhousesitters Group Ltd, a Company registered in England and Wales.

During the year there was no ultimate controlling party.

14. Auditor's information

As the statement of comprehensive income has been omitted from the filing of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 28 September 2023 by Stuart Leat (Senior Statutory Auditor) on behalf of PKF Littlejohn LLP.