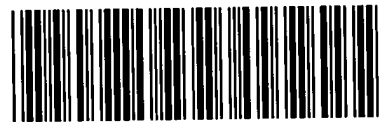


Company Registration No. 08050202 (England and Wales)

**CAKE TECHNOLOGIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

MONDAY



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COMPANIES HOUSE

# CAKE TECHNOLOGIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R Breaks C Kohlmann J McKay M Songy
<b>Secretary</b>	D Muddiman
<b>Company number</b>	08050202
<b>Registered office</b>	Belgrave House 76 Buckingham Palace Road London England SW1W 9AX
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# CAKE TECHNOLOGIES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their annual report and financial statements for the year ended 31 December 2017.

#### Principal activities

The principal activity of the company continued to be that of the development of a real time mobile payment platform.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Breaks	(Appointed 10 October 2017)
C Kohlmann	
J McKay	(Appointed 10 October 2017)
M Songy	
S Tresch	(Appointed 10 October 2017 and resigned 15 August 2018)
K Hanton	(Resigned 10 October 2017)
A Ross	(Resigned 10 October 2017)

#### Auditor

RSM UK Audit LLP were appointed as auditor to the company during the year and have indicated their willingness to continue in office. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

*Charlotte Kohlmann*

C Kohlmann  
Director

Date: 14/9/2018

# **CAKE TECHNOLOGIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAKE TECHNOLOGIES LIMITED**

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## **Opinion**

We have audited the financial statements of Cake Technologies Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Financial Position, the 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 their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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.

## **Other matter – prior period financial statements not audited**

The company was exempt from audit in the year ended 31 December 2016 and consequently the corresponding figures are unaudited.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAKE TECHNOLOGIES LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

David Hough (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

14 September 2018

# CAKE TECHNOLOGIES LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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	Notes	2017 £	2016 £
Turnover	3	2,363	1,171
Cost of sales		-	(14,794)
<b>Gross profit/(loss)</b>		<u>2,363</u>	<u>(13,623)</u>
Administrative expenses		(3,439,697)	(2,596,238)
<b>Operating loss</b>	6	<u>(3,437,334)</u>	<u>(2,609,861)</u>
Interest payable and similar expenses	7	(1,689,400)	(12,336)
<b>Loss before taxation</b>		<u>(5,126,734)</u>	<u>(2,622,197)</u>
Tax on loss	8	19,007	171,031
<b>Loss for the financial year</b>		<u><u>(5,107,727)</u></u>	<u><u>(2,451,166)</u></u>

The Income Statement has been prepared on the basis that all operations are continuing operations.

**CAKE TECHNOLOGIES LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	9		-		5,810
Tangible assets	10		-		13,473
Investments	11		-		12
					<u>19,295</u>
<b>Current assets</b>					
Debtors	12	78,850		241,253	
Cash at bank and in hand		4,644		123,723	
		<u>83,494</u>		<u>364,976</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(407,050)</u>		<u>(1,031,841)</u>	
<b>Net current liabilities</b>			<u>(323,556)</u>		<u>(666,865)</u>
<b>Total assets less current liabilities</b>			<u><u>(323,556)</u></u>		<u><u>(647,570)</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		39		35
Share premium account	16		4,523,811		4,412,673
Other reserves	16		4,708,076		-
Share based payment reserve	16		-		704,265
Profit and loss reserves	16		<u>(9,555,482)</u>		<u>(5,764,543)</u>
<b>Total equity</b>			<u><u>(323,556)</u></u>		<u><u>(647,570)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14/9/2018 and are signed on its behalf by:

*Charlotte Kohlmann*

C Kohlmann  
Director



# **CAKE TECHNOLOGIES LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Share capital £	Share premium account £	Other reserves £	Share based payment reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		31	3,234,444	-	217,798	(3,313,377)	138,896
<b>Year ended 31 December 2016:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(2,451,166)	(2,451,166)
Issue of share capital	15	4	1,178,229	-	-	-	1,178,233
Share based payment charge		-	-	-	486,467	-	486,467
<b>Balance at 31 December 2016</b>		35	4,412,673	-	704,265	(5,764,543)	(647,570)
<b>Year ended 31 December 2017:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(5,107,727)	(5,107,727)
Issue of share capital	15	4	111,138	-	-	-	111,142
Capital contribution	15	-	-	4,708,076	-	-	4,708,076
Transfer of share based payment reserve on exercise of options		-	-	-	(1,316,788)	1,316,788	-
Share based payment charge		-	-	-	612,523	-	612,523
<b>Balance at 31 December 2017</b>		39	4,523,811	4,708,076	-	(9,555,482)	(323,556)

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

##### Company information

Cake Technologies Limited is a private company limited by shares and is registered, domiciled and incorporated in England and Wales. The registered office is Belgrave House, 76 Buckingham Palace Road, London, England, SW1W 9AX.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts; interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; details of hedges; hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of American Express International Incorporated. These consolidated financial statements are available from its registered office, American Express Company, American Express Tower, World Financial Center, 200 Vesey St, New York, NY, 10285, USA.

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies (Continued)

#### Going concern

The financial statements have been prepared on the going concern basis. The company has incurred losses during the year and the directors are aware that the balance sheet shows net liabilities. However, the directors have been successful in attracting further investment during the year and have a reasonable expectation that the profitability of the company will be reversed when an agreement is signed with another American Express group company to remunerate the company for services provided, which along with the continued support of the American Express group should provide the company with adequate resources in order to meet its obligations, if and when, they become due. The directors are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### Intangible fixed assets other than goodwill

Intangible fixed assets are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

IP & Trademarks	5 years straight line
-----------------	-----------------------

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office equipment	3 years straight line
Computer equipment	3 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies (Continued)

##### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

##### **Basic financial assets**

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

#### **Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. The amount charged to the Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Research and development

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2017	2016
	£	£
<b>Turnover analysed by class of business</b>		
Services of mobile application	2,363	1,171
	<u>          </u>	<u>          </u>
	2017	2016
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	2,363	1,171
	<u>          </u>	<u>          </u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2017	2016
Number	Number
20	24
<u>          </u>	<u>          </u>

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,217,110	819,344
Social security costs	152,926	89,430
Pension costs	7,895	-
	<u>1,377,931</u>	<u>908,774</u>

### 5 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>120,754</u>	<u>94,500</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 0).

### 6 Operating loss

	2017 £	2016 £
Operating loss for the year is stated after charging:		
Exchange losses	11,603	84
Depreciation of owned tangible fixed assets	8,048	12,693
Loss on disposal of tangible fixed assets	7,598	-
Amortisation of intangible assets	3,637	1,644
Share based payment charges	612,523	486,467
Operating lease charges	<u>57,540</u>	<u>152,812</u>

### 7 Interest payable and similar expenses

	2017 £	2016 £
Other interest	<u>1,689,400</u>	<u>12,336</u>

Other interest includes an accelerated charge of £1,598,088 (2016: £Nil) in respect of enhanced redemption terms triggered by an exit event.

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(19,007)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(171,031)
<b>Total tax credit</b>	<u>(19,007)</u>	<u>(171,031)</u>

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	<u>(5,126,734)</u>	<u>(2,622,197)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(986,896)	(524,439)
Tax effect of expenses that are not deductible in determining taxable profit	236	92
Adjustments in respect of prior years	(301)	-
Fixed asset timing differences	7,968	1,292
R&D enhanced expenses	(25,633)	(133,327)
Losses not recognised as deferred tax	985,619	485,351
<b>Taxation credit for the year</b>	<u>(19,007)</u>	<u>(171,031)</u>

The company has estimated losses of £9,928,171 (2016: £4,647,771) available for carry forward against future trading profits.



# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Intangible fixed assets

	IP & Trademarks £
<b>Cost</b>	
At 1 January 2017	8,276
Disposals	(8,276)
At 31 December 2017	-
<b>Amortisation and impairment</b>	
At 1 January 2017	2,466
Amortisation charged for the year	3,637
Disposals	(6,103)
At 31 December 2017	-
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	5,810

### 10 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2017	12,871	40,694	53,565
Disposals	(12,871)	(40,694)	(53,565)
At 31 December 2017	-	-	-
<b>Depreciation and impairment</b>			
At 1 January 2017	11,296	28,796	40,092
Depreciation charged in the year	553	7,495	8,048
Eliminated in respect of disposals	(11,849)	(36,291)	(48,140)
At 31 December 2017	-	-	-
<b>Carrying amount</b>			
At 31 December 2017	-	-	-
At 31 December 2016	1,575	11,898	13,473

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Fixed asset investments

	2017 £	2016 £
Investments in subsidiaries	-	12

### Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017	12
Disposals	(12)
At 31 December 2017	-
Carrying amount	
At 31 December 2017	-
At 31 December 2016	12

### 12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Corporation tax recoverable	19,308	171,018
Other debtors	59,542	70,235
	78,850	241,253

### 13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	183,192
Amounts due to group undertakings	335,693	-
Other taxation and social security	-	117,502
Other creditors	54,607	731,147
Accruals and deferred income	16,750	-
	407,050	1,031,841

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,895	-

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

### 15 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
3,900,000 (2016: 3,500,000) A Ordinary of 0.001p each	39	35
	<u>39</u>	<u>35</u>

During the year, 397,821 (2016: 4,000) A ordinary shares were issued for a total consideration of £111,142 (2016: £1,178,229).

### 16 Reserves

#### Share premium

The share premium reserve is the consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

#### Other reserves

The other reserve represents additional capital contributions provided by the parent company.

#### Share based payment reserve

The share based payment reserve represents the cumulative share based payment expense.

### 17 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	-	55,000

# CAKE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 18 Directors' transactions

During the year, M Songy, a director of the company, loaned the company £Nil (2016: £52,000) and withdrew £48,600 (2016: £3,400) from the company. At the balance sheet date, the director was owed £Nil (2016: £48,600).

During the year, C Kohlmann, a director of the company, loaned the company £Nil (2016: £66,000) and withdrew £38,869 (2016: £1,127) from the company. At the balance sheet date, the director was owed £Nil (2016: £38,869).

Both loans from the directors are interest free and repayable on demand.

During the year, A Ross, a former director of the company, loaned the company £175,000 (2016: £Nil) and withdrew £175,000 (2016: £Nil) from the company, interest of £167,230 (2016: £Nil) was charged. At the balance sheet date, the former director was owed £Nil (2016: £Nil). The loans from the former director has two separate terms: interest at 7% per annum, and interest at 2% per annum and twice the value of the loan in the case of an exit event occurring, which occurred in the financial year.

During the year, K Hanton, a former director of the company, loaned the company £85,000 (2016: £Nil) and withdrew £85,000 (2016: £Nil) from the company, interest of £151,400 (2016: £Nil) was charged. At the balance sheet date, the former director was owed £Nil (2016: £Nil). The loans from the former director has two separate terms: interest at 7% per annum, and interest at 2% per annum and twice the value of the loan in the case of an exit event occurring, which occurred in the financial year.

#### 19 Controlling party

American Express Holdings Limited is the company's immediate parent company. The company's ultimate parent company is American Express Company (US), a company incorporated in the state of New York, United States of America. American Express Company (US) is the largest group for which consolidated accounts are drawn up. American Express International Incorporated is the smallest group for which consolidated accounts are drawn up. The consolidated accounts for both American Express Company (US) and American Express International Incorporated can be obtained from American Express Company, American Express Tower, World Financial Center, 200 Vesey Street, New York, 10285, USA.