

Squirrel Financial Wellbeing Limited
Annual Report and Financial Statements

Registered Number 08621129

For the year ended 31 December 2016



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Company Information

Directors: E Andjelic
M Qubbaj

Registered office: Lower Ground Floor
10 Finsbury Square
London
EC2A 1AF

Registered number: 08621129

Accountants: KPMG LLP
15 Canada Square
London
E14 5GL

Balance Sheet

At 31 December 2016

	Note	£	2016 £	2015 £
Fixed assets				
Tangible assets	8		3,715	6,442
			<u>3,715</u>	<u>6,442</u>
Current assets				
Debtors	9	9,411		5,373
Cash at bank and in hand		154,054		234,259
		<u>163,465</u>		<u>239,632</u>
Creditors : amounts falling due within one year	10	(20,140)		(28,884)
Net current assets			<u>143,325</u>	<u>210,748</u>
Total assets less current liabilities			<u>147,040</u>	<u>217,190</u>
Net assets			<u>147,040</u>	<u>217,190</u>
Capital and reserves				
Called up share capital	12		1	1
Share premium			1,004,183	820,980
Share options			32,728	-
Profit and loss account			(889,872)	(603,791)
Shareholders' funds			<u>147,040</u>	<u>217,190</u>

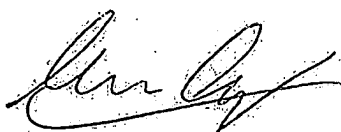
For the year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requesting an audit within the specified time period.

The directors acknowledge their responsibilities for complying with the requirements of the 2006 Companies Act with respect to accounting records and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of sections 394 and 395 (Duty to prepare individual accounts and applicable accounting framework) and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. In accordance with the special provisions applicable to companies subject to the small companies regime as permitted by section 444(5) of the Companies Act 2006, the entity profit and loss account and directors' report is not included as part of these filed financial statements.

These financial statements were approved by the board of directors on 21/8/17 and were signed on its behalf by:

E Andjelic - Director
Company Registration No: 08621129



The notes on pages 4 to 10 form part of these financial statements

Statement of Changes in Equity

	Called up share capital (note 12)	Share premium	Share options	Profit and loss account	Total
	£	£	£	£	£
Balance at 1 January 2015	1	434,209	-	(64,615)	369,595
Comprehensive income for the year					
Loss for the year	-	-	-	(539,176)	(539,176)
Total comprehensive income for the year	-	-	-	(539,176)	(539,176)
Transactions with owners, recorded directly in equity					
Issue of share capital	-	386,771	-	-	386,771
Total contributions by and distributions to owners	-	386,771	-	-	386,771
Balance at 31 December 2015	1	820,980	-	(603,791)	217,190
	Called up share capital (note 12)	Share premium	Share options	Profit and loss account	Total
	£	£	£	£	£
Balance at 1 January 2016	1	820,980	-	(603,791)	217,190
Comprehensive income for the year					
Loss for the year	-	-	-	(286,081)	(286,081)
Total comprehensive income for the year	-	-	-	(286,081)	(286,081)
Share and share based payment transactions					
Issue of share capital	-	183,203	-	-	183,203
Share based payment transactions	-	-	32,728	-	32,728
Total contributions by and distributions to owners	-	183,203	32,728	-	215,931
Balance at 31 December 2016	1	1,004,183	32,728	(889,872)	147,040

The notes on pages 4 to 10 form part of these financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Squirrel Financial Wellbeing Limited (the "Company") is a company incorporated, domiciled and registered in England in the UK.

These financial statements were prepared in accordance with Section 1A of the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

These financial statements for the year ended 31 December 2016 are the first financial statements of Squirrel Financial Wellbeing Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2015. In the transition to FRS102 from old UK GAAP, the company has made no measurement and recognition adjustments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The directors are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgments used in the preparation of these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing these financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (Continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Computer equipment	-33.33 on straight line basis
Office equipment	-25% on straight line basis

1.6 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7 Employee benefits

Share based payments

The cost and corresponding increase in equity in respect of equity-settled share-based payment transactions with employees are measured by reference to the fair value of equity instruments issued at the date of the grant. The fair value of equity-settled share options granted are estimated at the grant date using the three-tier measurement hierarchy, and more specifically, using the black-scholes model, taking into account the terms and conditions which the options were granted. Amounts are expensed on a straight line basis over the vesting period based on the estimate of shares that will eventually vest.

1.8 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the company for the year has been derived from its principal activities. Turnover is recognised when services are provided.

1.9 Expenses

Interest receivable and interest payable

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Notes (Continued)

1 Accounting policies (continued)

1.10 Grant

Grants are accounted for under the performance model of accounting, as permitted by FRS 102. Where grants impose specified future performance-related conditions, the grant is recognised in the profit and loss account when these conditions are fulfilled. Where grants do not impose future performance-related conditions, the grant is recognised in the Profit and Loss account when they are received or receivable. The deferred element of grants is included in creditors as deferred income.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 to these financial statements, management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance sheet date and the amounts reported for revenues and expenses during the year. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following judgments, estimates and assumptions have had the most significant effect on the amounts recognised in these financial statements:

Share option charges

At the end of each financial period the Directors review options, as part of the review process, the number of options expected to vest at maturity are assessed and the share option charge is adjusted accordingly. The actual vesting of these options depends on future events and as such there is significant estimation uncertainty.

3 Other revenue

	2016 £	2015 £
Grant income	158,257	121,932
Other revenue	3,455	10,000
	<u>161,712</u>	<u>131,932</u>

Notes (Continued)

4 Staff numbers

The average number of persons employed by the Company (including directors) during the year was 2 (2015: 2).

5 Interest receivable and similar income

	2016 £	2015 £
Bank interest	452	330
	<u>452</u>	<u>330</u>

6 Interest payable and similar expenses

	2016 £	2015 £
Bank interest	8	-
	<u>8</u>	<u>-</u>

7 Taxation

Total tax expense/(credit) recognised in the profit and loss account, other comprehensive income and equity

	2016 £	2015 £
<i>Current tax</i>		
Current tax on income for the year	-	-
Adjustment in respect of prior year - R&D tax credit	(28,348)	(6,488)
Total current tax	<u>(28,348)</u>	<u>(6,488)</u>

Notes (Continued)

8 Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 January 2016	6,194	3,370	9,564
Additions	-	-	-
At 31 December 2016	6,194	3,370	9,564
Depreciation			
At 1 January 2016	1,923	1,199	3,122
Charge for the year	1,884	843	2,727
At 31 December 2016	3,807	2,042	5,849
Net Book Value			
At 31 December 2016	2,387	1,328	3,715
Net Book Value			
At 31 December 2015	4,271	2,171	6,442

9 Debtors

	2016 £	2015 £
Trade debtors	3,396	-
Other debtors	4,205	5,373
Prepayments and accrued income	1,810	-
	<u>9,411</u>	<u>5,373</u>

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	17,776	13,430
Taxation and social security	2,253	15,354
Other creditors	111	100
	<u>20,140</u>	<u>28,884</u>

Notes (Continued)

12 Called up share capital

Allotted, issued and fully paid:

	2016 £	2015 £
140,831 Ordinary shares at £0.00001 each (2015: 136,658)	1	1
	<u>1</u>	<u>1</u>

On 9 August 2016, there was allotment of 2,278 Ordinary shares of £0.00001 each, resulting in a share premium of £100,005.

On 8 September 2016, there was an allotment of 984 Ordinary shares of £0.00001 each, resulting in a share premium of £43,198.

On 10 October 2016, there was an allotment of 911 Ordinary shares of £0.00001 each, resulting in a share premium of £40,000.

11 Employee benefits

Share based payments

The company has share options in existence, granting these under an approved EMI option plan. The options were granted on 1 July 2016, 10 September 2016 and 10 October 2016. All options granted have performance conditions relating to the relevant employee remaining in the employment of the company at exercise. The vesting period of all options granted is between 1 and 4 years.

Some of the options granted in the current financial year, have a vesting commencement date in the prior year, where the financial statements were prepared in accordance with the Financial Reporting Standard for Small Entities (effective January 2015), and as such no accounting treatment was required.

On transition to FRS 102 in the current year, the entity has taken advantage of the transitional exemption available to small companies not to restate their comparative figures to comply with the requirements of fair value measurement, and as such no adjustments have been made to these financial statements to reflect the fair value of the share options as at 31 December 2015.

The table below represents the share options in force:

	Number 2016	Weighted average exercise price 2016 £	Number 2015	Weighted average exercise price 2015 £
Outstanding as at 1 January 2016	362	8.56		
Granted during the year	2,893	8.56	362	8.56
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding as at 31 December 2016	3,255	8.56	362	8.56
			2016 £	2015 £
Equity-settled schemes - charges arising			32,728	

Notes *(Continued)*

13 Ultimate controlling party

The ultimate controlling party is E Andjelic, a director and majority shareholder.

14 Related party transactions

As at 31 December 2016, the company owed £104 (2015: £100) to M Qubbaj, a director and shareholder, and the company was owed £341 (2015: £324) by E Andjelic, a director and shareholder. The loans are interest free and repayable on demand.