

Unaudited Financial Statements for the Year Ended 31 December 2020

for

SmartUp.io Limited

Davis Grant Limited
Chartered Certified Accountants
Treviot House
186-192 High Road
Ilford
Essex
IG1 1LR

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for the Year Ended 31 December 2020**

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Balance Sheet
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		1,005		1,411
Investments	5		<u>1</u>		<u>1</u>
			1,006		1,412
CURRENT ASSETS					
Debtors	6	40,908		42,863	
Cash at bank		<u>135</u>		<u>16</u>	
		41,043		42,879	
CREDITORS					
Amounts falling due within one year	7	<u>1,567,261</u>		<u>1,331,330</u>	
NET CURRENT LIABILITIES			<u>(1,526,218)</u>		<u>(1,288,451)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,525,212)</u>		<u>(1,287,039)</u>
CAPITAL AND RESERVES					
Called up share capital			15		15
Share premium			3,987,727		3,987,727
Retained earnings			<u>(5,512,954)</u>		<u>(5,274,781)</u>
SHAREHOLDERS' FUNDS			<u>(1,525,212)</u>		<u>(1,287,039)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 December 2020

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 August 2021 and were signed on its behalf by:

E Goh - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

SmartUp.io Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number:	08855163
Registered office:	Treviot House 186-192 High Road Ilford Essex IG1 1LR

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Turnover

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

In respect of contracts for on-going services, turnover represents the value of work done in the period.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are being amortised evenly over their estimated useful life of 10 years.

Research and development

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investment

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Going concern

The balance sheet at the end of the period recorded net liabilities. However, the directors believe that despite the global pandemic there are sufficient financial resources available, in particular from investors, to enable the company to continue trading into the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Share based payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Convertible loan notes

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition, the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in the equity reserve within equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2019 - 7) .

4. INTANGIBLE FIXED ASSETS

	Trademarks
	£
COST	
At 1 January 2020	
and 31 December 2020	<u>2,707</u>
AMORTISATION	
At 1 January 2020	1,296
Amortisation for year	<u>406</u>
At 31 December 2020	<u>1,702</u>
NET BOOK VALUE	
At 31 December 2020	<u>1,005</u>
At 31 December 2019	<u>1,411</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. **FIXED ASSET INVESTMENTS**

	Other investments £
COST	
At 1 January 2020	
and 31 December 2020	<u>1</u>
NET BOOK VALUE	
At 31 December 2020	<u>1</u>
At 31 December 2019	<u>1</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	-	4,806
Other debtors	<u>40,908</u>	<u>38,057</u>
	<u>40,908</u>	<u>42,863</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Bank loans and overdrafts	289,067	280,062
Trade creditors	32,170	67,902
Amounts owed to related parties	657,953	443,892
Taxation and social security	3,295	1,918
Other creditors	<u>584,776</u>	<u>537,556</u>
	<u>1,567,261</u>	<u>1,331,330</u>

8. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>289,067</u>	<u>280,000</u>

The loan is secured by 77,945 share warrants and over all properties, rights, assets and revenues of SmartUp.io Limited.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

9. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to the directors subsisted during the period ended 31 December 2020 and period ended 31 December 2019:

	2020 £	2019 £
Director 1		
Amounts Advanced	684	33,053
Amounts Repaid	(1,087)	(51,329)

The loans to the directors are repayable on demand. Interest is charged on loans at the official interest set by HMRC.

10. POST BALANCE SHEET EVENTS

After year-end, loans, convertible loans and trade payables, included within creditors due within one year, totalling £601,897 and accrued interest of £8,173 were converted into 26,994,239 B shares of £0.000001 at £0.0226 per share.

The company undertook a new investment round in April 2021. The company issued 6,218,937 B shares of £0.000001 at £0.0282 per share

11. SHARE-BASED PAYMENT TRANSACTIONS

SmartUp.io Limited, issued options to certain employees which provides additional remuneration for those employees who are key to the operations of the company. The options are granted with a fixed exercise price determined at the grant of the option. The options are exercisable up until the 10th anniversary from the date of grant. Employees are not entitled to dividends until the shares are exercised.

Reconciliations of the number of shares per option scheme are presented below.

Share option type	Date of Grant	Number of shares
Enterprise Management Incentive	12/10/2015 - 30/10/2017	3,750
Unapproved Share Options	12/10/2015 - 21/01/2019	153,672
Total		157,422

Number of shares	EMI Scheme	Unapproved Scheme
At 1 January 2020	3,750	473,488
Granted	-	-
Exercised in the year	-	199,885
Lapsed in the year	-	119,931
Outstanding as at 31 December 2020	3,750	153,672

The company is unable to directly measure the fair value of the options granted. instead the share options fair value is determined by the directors.

The company only recognises expenses relating to these options based on the employees, employed directly by the company for the elapsed vesting period.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

12. CONVERTIBLE LOAN NOTES

On 31 August 2018, the Company issued 152,637 6% fixed rate unsecured convertible loan notes of £1 each and a further 264,399 8% fixed rate unsecured convertible loan notes of £1 each on 25 September 2018.

On the 31 August 2018, the Company issued 40,000 loan notes of £1 each with no interest.

The loan notes are all convertible into fully paid shares. When issued, the new shares shall rank pari passu with the current issued share capital of the Company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.