Registered number: 09721622

WRISK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

WRISK LIMITED

COMPANY INFORMATION

Directors	N A Barton D Kumana D E C Mott N B K Patel Y G P Chim M A W King
Registered number	09721622
Registered office	45 Gresham Street London EC2V 7BG
Independent auditors	PKF Littlejohn Statutory auditor 15 Westferry Circus Canary Wharf London E14 HD

WRISK LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Directors

The directors who served during the year were:

N A Barton
D Kumana
D E C Mott
N B K Patel
Y G P Chim
M A W King

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PKF Littlejohn, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

N B K Patel
Director

Date: 26th September 2023

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;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WRISK LIMITED

Opinion

We have audited the financial statements of Wrisk Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet and notes to the financial statements, including 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 2022 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.

Conclusions 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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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.

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 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, 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WRISK LIMITED (CONTINUED)

Auditors' 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:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through own audit experience.

- We determined the principal laws and regulations relevant to the Company in this regard to be the Companies Act 2006 and UK tax legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management;
  - Review of board meeting minutes
  - Review of legal and professional fees.

- We also identified the risk of material misstatement of the financial statements due to fraud. We considered the non-rebuttable presumption of a risk of fraud arising from management override of controls, which we tested by way of journals testing using our data analytics software to identify and test journals posted with unusual account combinations, posted with duplicate entries or other unusual characteristics which could be indicative of fraudulent manipulation of the financial results. We also conducted preliminary and final analytical review to identify any unusual or unexpected relationships or variances. The potential for management bias was identified in relation to the impairment of the share-based payment charge and we addressed this by challenging the assumptions and judgements made by management. The choice of a discount rate with regard to intercompany loans was also a considered an area that may be susceptible to management bias. We addressed this risk by reviewing and challenging the choice of discount rate used.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WRISK LIMITED (CONTINUED)

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.

Azhar Rana (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory auditor

15 Westferry Circus
Canary Wharf
London
E14 HD
Date: 26 September 2023

WRISK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021* *£*
Turnover		**544,477**	*656,304*
Gross profit		**544,477**	*656,304*
Administrative expenses		**(3,341,505)**	*(3,125,315)*
Operating loss		**(2,797,028)**	*(2,469,011)*
Interest receivable		**93,996**	*36,233*
Interest payable		**(667)**	*(7,319)*
Loss before tax		**(2,703,699)**	*(2,440,097)*
Tax on loss		**-**	*307,778*
Loss for the financial year		**(2,703,699)**	*(2,132,319)*

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 9 to 16 form part of these financial statements.

WRISK LIMITED
REGISTERED NUMBER: 09721622

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	5		**35,377**		*48,969*
Tangible assets	6		**19,832**		*23,843*
Investments	7		**180,203**		*148,860*
			235,412		*221,672*
Current assets					
Debtors: amounts due after one year	8	**604,667**		*417,084*	
Debtors: amounts due within one year	8	**239,844**		*972,597*	
Cash at bank and in hand	9	**46,860**		*386,431*	
		891,371		*1,776,112*	
Creditors: amounts falling due within one year	10	**(533,647)**		*(151,160)*	
Net current assets			**357,724**		*1,624,952*
Total assets less current liabilities			**593,136**		*1,846,624*
Net assets			**593,136**		*1,846,624*
Capital and reserves					
Called up share capital	11		**73,901**		*69,345*
Share premium account			**14,646,279**		*13,311,321*
Share options reserve			**1,246,946**		*1,136,249*
Retained earnings			**(15,373,990)**		*(12,670,291)*
			593,136		*1,846,624*

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

N B K Patel
Director

Date: 26th September 2023

The notes on pages 9 to 16 form part of these financial statements.

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

1. General information

Wrisk Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is 25 Moorgate, London, EC2R 6AY.

The Company's functional and presentational currency is pound Sterling (GBP) and rounded to the nearest £.

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 directors have prepared financial forecasts and have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. As such, the financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover comprises of expenses, HR costs and direct expenses, recharged to the Company's subsidiary. HR costs are recharged monthly based on time spent by the employees and direct expenses are recharged as incurred.

The Company also invoices system development and intergration fees to its counterparties based on statement of work agreed and completed.

Revenue for these services is recognised in the accounting period in which the services are rendered when the outcome of contract can be estimated reliably. The Company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided.

2.4 Research and development

Research and development costs are written off as incurred.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.7 Taxation

The tax credit arises from the research and development tax credit for the year.

2. Accounting policies (continued)

2.8 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 the Statement of Comprehensive Income 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.

2.9 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	5	years

2.10 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.

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.

Depreciation is provided on the following basis:

Computer equipment	-	25%
Office equipment	-	33%

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 the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.11 Share options

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting and market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non market-based vesting conditions) at the date of grant. At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the Statement of Comprehensive Income, with a corresponding adjustment to equity. Fair value is measured by the use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

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

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

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

2.16 Financial instruments

Financial Instruments that consitute financing transactions are initially measured at present value, whereby future payments are discounted at a market rate of interest for similar debt instrument. An arrangement constitutes a financing transaction if payment is deferred beyond normal business terms or rate of interest is not a market rate.

The company has a separate accounting policy in relation to subordinated loans issued to their subsidiaries, which is detailed in policy 3.

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.

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Subsequent measurement of financial instruments is at amortised cost using the effective interest method. For a non-interest bearing debt instrument that is payable or receivable in one year on normal business terms, amortised cost is measured at the undiscounted amount of cash or other consideration that is expected to be paid or received. For financing transaction, the effective interest rate is the market rate of interest for a similar debt instrument used to determine initial measurement.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements 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.

(a) Critical Judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies that would have a signifiant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

Share option reserve

The company uses Black-Scholes method of valuing the share options. A key area of estimation is the share price volatility rate, which has been set at 100% due to the company being in its start up phase.

Loans provided to subsidiary

Where loans are provided to a subsidiary interest free, these constitute financing transactions and a discount is applied to apportion the loan between debt and equity elements. The discount rate that has been utilised is 20%. The use of a higher discount rate would mean that the the investment element of such transactions is correspondingly higher.

4. Employees

The average monthly number of employees, including directors, during the year was 18 (2021 - 15).

5. Intangible assets

	Trademarks £
Cost	
At 1 January 2022	**58,250**
At 31 December 2022	**58,250**
Amortisation	
At 1 January 2022	**9,281**
Charge for the year on owned assets	**13,592**
At 31 December 2022	**22,873**
Net book value	
At 31 December 2022	**35,377**
At 31 December 2021	*48,969*

6. Tangible fixed assets

	Computer Equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	**53,230**	**11,063**	**64,293**
Additions	**10,880**	**-**	**10,880**
At 31 December 2022	**64,110**	**11,063**	**75,173**
Depreciation			
At 1 January 2022	**31,491**	**8,959**	**40,450**
Charge for the year on owned assets	**12,827**	**2,064**	**14,891**
At 31 December 2022	**44,318**	**11,023**	**55,341**
Net book value			
At 31 December 2022	**19,792**	**40**	**19,832**
At 31 December 2021	*21,739*	*2,104*	*23,843*

7. Fixed asset investments

	2022 £	*2021 £*
Investment in subsidiary undertaking	**180,203**	*148,860*
	180,203	*148,860*

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

8. Debtors

	2022 £	2021 £
Due after more than one year		
Subordinated loan	**604,667**	*417,084*
	604,667	*417,084*

	2022 £	2021 £
Due within one year		
Trade debtors	**168,914**	*409,131*
Other debtors	**36,640**	*521,032*
Prepayments and accrued income	**34,290**	*42,434*
	239,844	*972,597*

9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**46,860**	*386,431*
	46,860	*386,431*

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Short term loans	**250,000**	-
Trade creditors	**40,361**	*59,314*
Other taxation and social security	**42,066**	*56,480*
Other creditors	**30,123**	-
Accruals and deferred income	**171,097**	*35,366*
	533,647	*151,160*

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

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,220,309 *(2021 - 4,220,309)* Ordinary shares of £0.01 each	**42,203**	*42,203*
931,783 *(2021 - 931,783)* Ordinary A shares of £0.01 each	**9,318**	*9,318*
2,238,007 *(2021 - 1,782,390)* Ordinary A1 shares of £0.01 each	**22,380**	*17,824*
	73,901	*69,345*

On 7 April 2022, the Company issued 340,136 Ordinary A1 shares of £0.01 each for a total consideration of £1,000,000; resulting in a share premium of £996,598.

On 3 August 2022 the Company issued 6,803 Ordinary A1 shares of £0.01 each for a total consideration of £20,001; resulting in a share premium of £19,933.

On 2 September 2022 the Company issued 108,678 Ordinary A1 shares of £0.01 each for a total consideration of £319,513; resulting in a share premium of £318,427.

12. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held seperately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund amounted to £69,875 (2021: £67,020). Contributions totalling £5,126 (2021: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

13. Post balance sheet events

Subsequent to 31 December 2022, Wrisk Limited issued 8,503 A1 shares for £24,999 cash consideration as part of the first stage of its 2023 interim funding round.

On 22 June 2023, Wrisk Limited entered into a loan agreement with Flow Capital Corp. for a 4,250,000 Canadian Dollar loan (£2,535,573 at the spot rate at the date the agreement was signed). No capital repayments are due for 36 months and the interest rate is 16.75% per annum. The loan is secured against the assets of Wrisk Limited and its subsidiaries.