Registration number: 11797870

Usnoop Limited

Annual Report and Financial Statements

31 December 2021

Usnoop Limited

Directors	Dame Jayne-Anne Gadhia Lord David Brownlow Jake Irwin Andrew Hoine John Natalizia
Registered office	10 Norwich Street London United Kingdom EC4A 1BD
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Statement of Financial Position
as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	32,740	23,928
Current assets			
Debtors	7	859,656	497,123
Cash and cash equivalents		14,821,990	8,969,622
		15,681,646	9,466,745
Creditors: Amounts falling due within one year	8	(1,209,012)	(493,125)
Net current assets		14,472,634	8,973,620
Total assets less current liabilities		14,505,374	8,997,548
Creditors: Amounts falling due after more than one year	8	-	(10,041,887)
Net assets/(liabilities)		14,505,374	(1,044,339)
Capital and reserves			
Share capital	10	74,697	26,322
Share premium		33,948,638	8,840,530
Profit and loss account		(19,517,961)	(9,911,191)
Total equity		14,505,374	(1,044,339)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file a Statement of Profit and Loss has been taken.

Approved and authorised by the Board on 29 April 2022 and signed on its behalf by:

....
Dame Jayne-Anne Gadhia
Director

Usnoop Ltd
Registered number: 11797870

The notes on pages 3 to 12 form an integral part of these financial statements.

Notes to the Financial Statements
for the Year Ended 31 December 2021

1 General information

The company is a private company limited by shares, incorporated in England and Wales.

The address of its registered office is:
10 Norwich Street
London
United Kingdom
EC4A 1BD

The principal place of business is:
15 Stratton Street
London
United Kingdom
W1J 8LQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in GBP and all values are rounded to the nearest pound (£), except when otherwise indicated.

Going concern
The Company's financial statements have been prepared on a going concern basis on the grounds that current sources of funding will be adequate for the Company's cash requirements for a period of 12 months from the date the financial statements are approved. However, subsequent to this 12 month period, the entity will need additional financing. The Company is exploring a variety of different funding options, which may include existing investors, but there is always a risk the amount needed can't be raised. The Directors concluded it remains appropriate to continue preparing the financial statements on a going concern basis but note a material uncertainty exists related to the Company's ability to raise additional capital within the next 12 months.

Notes to the Financial Statements
for the Year Ended 31 December 2021

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.
The Company recognises revenue when:
• The amount of revenue can be reliably measured;
• it is probable that future economic benefits will flow to the entity; and
• specific criteria have been met for each of the Company's activities.

Government grants
Government grants are recognised when it is reasonable to expect that the grant will be received and that all related conditions will be met.

Grants of a revenue nature are credited to the statement of comprehensive income, and included in other income, so as to match them with the expenditure to which they relate.

Foreign currency transactions and balances
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 statement of financial position 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 statement of comprehensive income. There are no material foreign exchange transactions in the financial statements.

Tax
Tax is recognised in statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	*Depreciation method and rate*
IT equipment	3 years Straight Line

Notes to the Financial Statements

for the Year Ended 31 December 2021

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of comprehensive income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

The Company is a lessee in operating lease arrangements. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense when incurred.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

Contributions are charged to the statement of comprehensive income in accordance with the rules of the defined benefit contribution scheme.

Notes to the Financial Statements
for the Year Ended 31 December 2021

Share based payments
The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model, taking into account the terms and conditions upon which the awards were granted. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied. At each statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the statement of comprehensive income.

Research and development
Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. No development expenditure has been capitalised during the years 2019, 2020 and 2021, on the basis that the specified criteria for capitalisation has not been met, as costs spent on the development phase of projects cannot be reliably estimated. All research and development costs are therefore expensed as incurred.

3 Staff numbers

The average number of persons employed by the company (including Directors) during the year, was 43 (2020 - 27).

The Company has been able to continue operating throughout the Covid 2019 pandemic. Arrangements have been made for Directors and staff to work from home. No claims have been made under the Coronavirus Job Retention Scheme.

Notes to the Financial Statements

for the Year Ended 31 December 2021

4 Administrative expenses

	2021 £	*2020* £
People & expenses	4,745,443	3,021,208
Marketing	2,767,840	912,295
Auditor's remuneration	27,500	10,000
Other administrative expenses	2,208,172	3,142,283
	9,748,955	7,085,786

The total remuneration paid to Directors for services to the company was £209,333 (2020: £140,000).

5 Tax

Tax credited in the statement of comprehensive income.

	2021 £	*2020* £
UK Corporation Tax	137,513	222,204

Corporation taxes received relates solely to Research and Development tax credits.

Notes to the Financial Statements
for the Year Ended 31 December 2021

6 Tangible assets

	IT equipment £	*Total* £
Cost or valuation		
At 1 January 2021	29,824	29,824
Additions	22,812	22,812
At 31 December 2021	52,636	52,636
Depreciation		
At 1 January 2021	5,896	5,896
Charge for the year	14,000	14,000
At 31 December 2021	19,896	19,896
Carrying amount		
At 31 December 2021	32,740	32,740
At 31 December 2020	23,928	23,928

7 Debtors

	2021 £	*2020* £
Trade debtors	148,002	6,713
Prepayments	158,046	137,792
Other debtors	553,608	352,618
	859,656	497,123

Notes to the Financial Statements
for the Year Ended 31 December 2021

8 Creditors

Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	521,172	227,716
Taxation and social security	377,625	115,052
Accruals	278,316	133,964
Other creditors	31,899	16,393
	1,209,012	493,125

Creditors: amounts falling due after more than one year

	2021 £	2020 £
Convertible loan	-	10,041,887

Convertible loan

During the year ended 31 December 2020 the Company issued £10,004,573 of convertible debt. This was a syndicated loan being provided to Usnoop Limited by various lenders. The convertible loan had a maturity date of 36 months from the disbursement and is unsecured. Interest was payable annually in arrears and at an annual interest rate of 8 per cent.

In July 2021 the convertible debt of £10,506,738, including interest, converted to 4,312,316 series A2 preferred shares and 166,339 series A1 preferred shares. Total interest is recorded in other interest payable note 6.

9 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £44,836 (2020 - £27,737).

Contributions totalling £10,758 (2020 - £6,212) were payable to the scheme at the end of the year and are included in other creditors.

Notes to the Financial Statements
for the Year Ended 31 December 2021

10 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary Shares of £0.005 each	3,160,519	15,803	3,160,519	15,803
Growth Shares of £0.005 each	66,250	331	66,250	331
Series Seed 1 Preferred Shares of £0.005 each	627,192	3,136	627,192	3,136
Series Seed 2 Preferred Shares of £0.005 each	1,410,520	7,052	1,410,520	7,052
Series A1 Preferred Shares of £0.005 each	5,362,720	26,814	-	-
Series A2 Preferred Shares of £0.005 each	4,312,316	21,562	-	-
	14,939,517	74,697	5,264,481	26,322

On 30 July 2021, 5,362,720 Series A1 Preferred shares with an aggregate nominal value of £26,814 were allotted at £2.90 per share for a total consideration of £15,069,505, and 4,312,316 Series A2 Preferred shares with an aggregate nominal value of £21,562 were allotted at £2.32 per share for a total consideration of £10,004,573.

Each share class ranks pari passu from a voting perspective. In respect of the distribution of dividends, the series A1 preferred shares, the series A2 preferred shares (together, the "Series A Preferred Shares"), the series seed 1 preferred shares and the series seed 2 preferred shares (together, the "Series Seed Preferred Shares") rank equally amongst themselves and ahead of all other classes of shares. The Series A Preferred Shares rank ahead of all other classes of shares for capital distributions and the Series Seed Preferred Shares rank ahead of the Growth Shares and Ordinary Shares for capital distributions.

Notes to the Financial Statements
for the Year Ended 31 December 2021

11 Share-based payments

EMI share scheme 2019

Scheme details and movements

During the year ended 31 December 2019 the Company issued 352,477 shares as part of an approved share scheme to qualifying employees. The exercise price of the shares is £1.90. The shares vesting period begins from the commencement of employment/engagement with the Company with 25% of the option shares vesting on 30 April 2020 and the remaining 75% of option shares shall vest pro rata on a quarterly basis over the following 3 years.

At 31 December 2021, 66,250 options had been forfeited, leaving 286,227 options outstanding at year end (2020: 352,477) and 178,892 were exercisable.

The total expense recognised in the statement of comprehensive income for the year was £Nil (2020 - £126,741).

EMI share scheme 2020

Scheme details and movements

During the year ended 31 December 2020 the Company issued 197,450 shares as part of an approved share scheme to qualifying employees. The exercise price of the shares is £2.28. The shares vesting period begins from the commencement of employment/engagement with the Company with 25% of the option shares vesting on 31 July 2021 and the remaining 75% of the Option Shares shall vest pro rata on an quarterly basis over the following 3 years.

At 31 December 2021, 15,450 options had been forfeited, leaving 182,000 options outstanding at year end (2020: 197,450) and 56,875 were exercisable.

The total expense recognised in the statement of comprehensive income for the year was £Nil (2020- £39,097).

EMI share scheme 2021

Scheme details and movements

During the year ended 31 December 2021 the Company issued 420,673 shares as part of an approved share scheme to qualifying employees. The exercise price of the shares is £2.90. The shares vesting period begins from the commencement of employment/engagement with the Company with 25% of the option shares vesting on 31 July 2022 and the remaining 75% of option shares shall vest pro rata on a quarterly basis over the following 3 years.

At 31 December 2021, all 420,673 options were outstanding and 0 were exercisable.

The total expense recognised in the statement of comprehensive income for the year year was £4,306.

Notes to the Financial Statements
for the Year Ended 31 December 2021

Growth share scheme

Scheme details and movements
During the year ended 31 December 2019 the Company issued 66,250 growth shares as part of a share scheme to qualifying employees. The market value of the ordinary shares can be used as a reasonable proxy for the incentive shares. The growth shares carry one vote and the right to participate in income distributions, other than upon exit. There is a limited right to distribution in respect of capital, being a hurdle of £9,444,485, increasing 8% per annum. The growth shares are non-redeemable.

The total expense recognised in the statement of comprehensive income for the year was £Nil (2020 - £Nil).

12 Obligations under leases

Operating leases
The total of future minimum lease payments is as follows:

	2021	*2020*
	£	*£*
Not later than one year	142,000	12,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £115,735 (2020 - £105,018).

13 Controlling Party

The Directors consider there to be no controlling or ultimate controlling party.

14 Audit Report Information

As the Statement of Profit and Loss has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The Senior Statutory Auditor was Ariel Grosberg and the auditor was BDO LLP.