

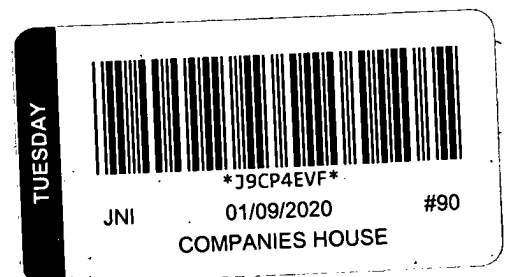


SaltVPN Limited

Unaudited

Directors' Report and Financial Statements

For the 10 Months ended 30 June 2020



Balance Sheet
As at 30 June 2020

	Note	30 June 2020 £	31 August 2019 £
Fixed assets			
Tangible assets	6	7,372	12,671
		<u>7,372</u>	<u>12,671</u>
Current assets			
Debtors: amounts falling due within one year	7	309,994	553,710
Cash at bank and in hand	8	809,690	217,650
		<u>1,119,684</u>	<u>771,360</u>
Creditors: amounts falling due within one year	9	(546,764)	(779,434)
Net current assets/(liabilities)		<u>572,920</u>	<u>(8,074)</u>
Total assets less current liabilities		<u>580,292</u>	<u>4,597</u>
Net assets		<u>580,292</u>	<u>4,597</u>
Capital and reserves			
Called up share capital	10	87,835	9,896
Share premium account		4,634,008	3,784,517
Profit and loss account		(4,141,551)	(3,789,816)
		<u>580,292</u>	<u>4,597</u>

SaltVPN Limited
Registered number: NI615841

Balance Sheet (continued)
As at 30 June 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

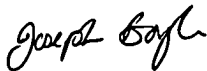
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 August 2020.



Mr Joe Boyle
Director

The notes on pages 3 to 8 form part of these financial statements.

**Notes to the Financial Statements
For the Period Ended 30 June 2020**

1. General information

SaltVPN Limited is a private company limited by shares incorporated in Northern Ireland. The registration number and address of the registered office are given in the company information section of these financial statements.

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 Company made a loss of £351,735 during the 10-month period but at 30 June following new investment it has a net asset position of £580,292.

During the period the company secured new investment of £927,430 with a further £232,570 expected after the year end.

While the historical losses indicate that the Company may be unable to discharge its liabilities in the normal course of business, management and the directors are confident that the new investment will allow the company to grow the business profitably enabling it to discharge its liabilities as they fall due. Based upon the above, and after making appropriate enquiries, the directors have formed a judgement at the time of writing that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Notes to the Financial Statements
For the Period Ended 30 June 2020**

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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. 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 fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**Notes to the Financial Statements
For the Period Ended 30 June 2020**

2. Accounting policies (continued)

2.9 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	- 33%
Computer 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 profit or loss.

2.10 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.

2.11 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.

2.12 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.

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

In the process of applying the company's accounting policies, management has not made any significant judgements. There are no key assumptions concerning the future or other key sources of estimation, that have significant risk of raising a material adjustment to the carrying amounts of assets and liabilities within the financial year.

4. Employees

The average monthly number of employees, including directors, during the period was 16 (2019 - 16).

Notes to the Financial Statements
For the Period Ended 30 June 2020

5. Interest payable and similar expenses

	10 Months ended 30 June 2020 £	Year ended 31 August 2019 £
Other loan interest payable	3,687	135,081
Other interest payable	3,566	-
	<u>7,253</u>	<u>135,081</u>

6. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2019	12,797	30,625	43,422
Additions	-	930	930
At 30 June 2020	<u>12,797</u>	<u>31,555</u>	<u>44,352</u>
Depreciation			
At 1 September 2019	9,725	21,027	30,752
Charge for the period on owned assets	1,616	4,612	6,228
At 30 June 2020	<u>11,341</u>	<u>25,639</u>	<u>36,980</u>
Net book value			
At 30 June 2020	<u>1,456</u>	<u>5,916</u>	<u>7,372</u>
At 31 August 2019	<u>3,073</u>	<u>9,598</u>	<u>12,671</u>

**Notes to the Financial Statements
For the Period Ended 30 June 2020**

7. Debtors

	30 June 2020 £	31 August 2019 £
Trade debtors	78,596	227,882
Other debtors	227,995	322,799
Prepayments and accrued income	3,403	3,029
	<u>309,994</u>	<u>553,710</u>

8. Cash and cash equivalents

	30 June 2020 £	31 August 2019 £
Cash at bank and in hand	809,691	217,649
	<u>809,691</u>	<u>217,649</u>

9. Creditors: Amounts falling due within one year

	30 June 2020 £	31 August 2019 £
Trade creditors	8,350	8,515
Other taxation and social security	110,337	68,253
Other creditors	2,612	216,772
Accruals and deferred income	425,465	485,894
	<u>546,764</u>	<u>779,434</u>

Notes to the Financial Statements
For the Period Ended 30 June 2020

10. Share capital

	30 June 2020 £	31 August 2019 £
Allotted, called up and fully paid		
6,534,722 (2019 - 4,034,720) Ordinary shares of £0.001 each	6,535	4,035
2,121,290 (2019 - 2,121,290) Deferred Ordinary shares of £0.001 each	2,121	2,121
79,179,436 (2019 - 3,739,660) Preferred Ordinary shares of £0.001 each	79,179	3,740
	<hr/> 87,835 <hr/>	<hr/> 9,896 <hr/>

In December 2019, 1,196,692 £0.001 preferred ordinary shares were issues at a price of £0.1337 per share. In June 2020, 2,500,000 ordinary shares of £0.001 were issued at a price of £0.01 per share and 74,243,084 £0.001 preferred ordinary shares were issued at a price of £0.01 per share.

11. Share based payments

During the period, no new options were granted. Options for 141,419 ordinary shares lapsed in the period.