

Company Registration No. SC630021 (Scotland)

We Are Pawprint Limited

**Unaudited financial statements
for the year ended 31 December 2021**

Pages for filing with the Registrar

We Are Pawprint Limited

Contents

	Page
Statement of financial position	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 11

We Are Pawprint Limited

**Statement of financial position
As at 31 December 2021**

			2021	2020
	Notes	£	£	£
Fixed assets				
Tangible assets	3		33,238	9,337
Current assets				
Debtors	4	208,903		190,014
Cash at bank and in hand		654,853		754,858
		<u>863,756</u>		<u>944,872</u>
Creditors: amounts falling due within one year	5	<u>(832,920)</u>		<u>(712,876)</u>
Net current assets			30,836	231,996
Total assets less current liabilities			<u>64,074</u>	<u>241,333</u>
Capital and reserves				
Called up share capital	7		19	15
Share premium account			2,181,548	999,425
Equity reserve			9,886	9,886
Profit and loss reserves			<u>(2,127,379)</u>	<u>(767,993)</u>
Total equity			<u>64,074</u>	<u>241,333</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

We Are Pawprint Limited

Statement of financial position (continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

Christian Arno

Director

Company Registration No. SC630021

We Are Pawprint Limited

**Statement of changes in equity
For the year ended 31 December 2021**

		Share capital	Share premium account	Equity reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 June 2020		13	579,987	-	(330,797)	249,203
Period ended 31 December 2020:						
Loss and total comprehensive income for the period		-	-	-	(437,196)	(437,196)
Issue of share capital	7	2	419,438	-	-	419,440
Other movements		-	-	9,886	-	9,886
Balance at 31 December 2020		15	999,425	9,886	(767,993)	241,333
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(1,359,386)	(1,359,386)
Issue of share capital	7	4	1,182,123	-	-	1,182,127
Balance at 31 December 2021		19	2,181,548	9,886	(2,127,379)	64,074

We Are Pawprint Limited

Notes to the financial statements For the year ended 31 December 2021

1 Accounting policies

Company information

We Are Pawprint Limited is a private company limited by shares incorporated in Scotland. The registered office is We Work 80, George Street, Edinburgh, EH2 3BU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line
IT equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

We Are Pawprint Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1 Accounting policies (continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.12 Going concern

The directors are aware of the cash burn which is as expected in the early stages of the company's business plan. However, they are of the view that the company is a going concern based on the cash held at the balance sheet date together with the fund raisings since the year end.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	27	13
	==	==

We Are Pawprint Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Tangible fixed assets

	Fixtures and IT equipment fittings		Total
	£	£	£
Cost			
At 1 January 2021	-	10,612	10,612
Additions	634	27,925	28,559
	<u>634</u>	<u>38,537</u>	<u>39,171</u>
At 31 December 2021	634	38,537	39,171
Depreciation and impairment			
At 1 January 2021	-	1,275	1,275
Depreciation charged in the year	22	4,636	4,658
	<u>22</u>	<u>5,911</u>	<u>5,933</u>
At 31 December 2021	22	5,911	5,933
Carrying amount			
At 31 December 2021	612	32,626	33,238
	<u>612</u>	<u>32,626</u>	<u>33,238</u>
At 31 December 2020	-	9,337	9,337
	<u>-</u>	<u>9,337</u>	<u>9,337</u>

4 Debtors

	December 2021	December 2020
	£	£
Amounts falling due within one year:		
Trade debtors	23,400	57,965
Corporation tax recoverable	152,390	130,920
Other debtors	33,113	1,129
	<u>208,903</u>	<u>190,014</u>
	<u>208,903</u>	<u>190,014</u>

5 Creditors: amounts falling due within one year

	December 2021	December 2020
	£	£
Trade creditors	27,627	1,102
Taxation and social security	109,765	27,202
Other creditors	695,528	684,572
	<u>832,920</u>	<u>712,876</u>
	<u>832,920</u>	<u>712,876</u>

We Are Pawprint Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

6 Share-based payment transactions

Details of the employee share option plan of the Company

The Company has a share option scheme for employees and consultants. All options are exercisable only upon an exit event.

The following share based payment arrangements were in existence during the period-ended 31 December 2021.

Grant date	Number	Expiry date	Exercise price	Fair value (per share)
16/10/20	9,350,000	15/10/30	£0.00388	£0.00114

All options vested on their date of grant. If an employee or consultant ceased to be associated with the Company, their options lapsed. If an exit event does not occur before the expiry date, the options lapse.

Movements in share options during the year

	Period ended 31 December 2021		Period ended 31 December 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the period	9,350,000	£0.00232	-	-
Granted during the period	-	-	9,350,000	£0.00232
Lapsed during the period	-	-	-	-
Balance at the end of the period	<u>9,350,000</u>	<u>£0.00232</u>	<u>9,350,000</u>	<u>£0.00232</u>

Share options exercised during the year

There were no share options exercised during the period-ended 31 December 2021, nor in the prior period.

We Are Pawprint Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

6 Share-based payment transactions (continued)

Share options outstanding at the end of the period

The share options outstanding at the end of the period had a weighted average exercise price and a weighted average remaining contractual life as shown below:

	Period ended 31 December 2021	Period ended 31 December 2020
Weighted average exercise price	£0.00232	£0.00232
Weighted average remaining contractual life (years)	8.80	9.80

The charge to the statement of comprehensive income of £0 (Dec 2020: £9,886) represents the net allocation of cost for the share options granted and lapsed during the year, based on the Directors' estimate of the number of share options expected to be exercised in due course.

The fair value of the Employment Options is estimated at the date of the grant using a Black-Scholes option pricing model. The following assumptions have been used in calculating the fair value of the share options.

	December 2021	December 2020
Valuation method	Black-Scholes	Black-Scholes
Risk free interest rate	1.96%	0.14%
Expected life (average years)	3	3
Expected volatility	40%	40%
Dividend yield	0%	0%

The risk free interest rate is based on the government gilt rate that is commensurate with the average expected life of the option. The expected life of the options is the expected average point at which an option becomes exercisable. The expected volatility is based on historical volatility of the share price of the Company and of quoted comparable companies over the most recent period at the date of the grant that is commensurate with the average expected life of the option. The weighted average share price used in each calculation was equal to the option exercise price.

We Are Pawprint Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

7 Called up share capital

	December 2021 £	December 2020 £
Ordinary share capital		
Issued and fully paid		
149,972,000 Ordinary shares of £0.0000001 each	-	15
189,376,237 Ordinary shares of £0.0000001 each	19	-
	<u> </u>	<u> </u>

On 3 February 2021 39,404,237 ordinary shares of £0.0000001 were issued.

8 Events after the reporting date

Advance subscription agreements were signed agreeing to subscribe for 19,982,959 ordinary shares of £0.0000001 for consideration of £844,280. These agreements were converted into shares on 23 May 2022 at longstop value of £0.04225.

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.