

Company Registration No. SC630021 (Scotland)

We Are Pawprint Limited

**Annual report and unaudited financial statements
for the period ended 31 December 2020**



COMPANIES HOUSE
27 OCT 2021
EDINBURGH MAILBOX

We Are Pawprint Limited

Company information

Directors	Christian Arno Ross Macnay Mark McCafferty
Company number	SC630021
Registered office	We Work 80 George Street Edinburgh EH2 3BU
Accountants	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Bankers	Starling Bank 2 Finsbury Avenue London EC2M 2PP

We Are Pawprint Limited

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We Are Pawprint Limited

Directors' report

For the period ended 31 December 2020

The directors present their annual report and financial statements for period between June and December 2020. The period is shorter than normal as the company has shifted its reporting year to the calendar year.

Principal activities

Pawprint's mission is empowering people to fight climate change at home, at work and beyond. It does this by building software to allow people to measure, understand and reduce their carbon footprint. Pawprint's software allows businesses to engage their employees on sustainability through support with personal and business carbon footprint reduction. It also fosters that engagement by allowing employees to share their ideas as to how the business can accelerate the move to a lower carbon future; by sharing information with its employees about its efforts to be more environmentally friendly; and by asking how ready they are, and how well equipped they are, to make the changes needed.

Review of business

The period under review, although short, saw a lot of progress for Pawprint, including the launch of its first product and the closure of multiple five figure commercial deals with well respected businesses. Pawprint expanded its capability with significant strategic hiring, and completed a second fundraising exercise.

Product Launch

We launched our product as a web application in September and over 100 people joined the event. The product was well received and began to deliver on our mission of empowering people to fight climate change from this time.

Commercial Research and Deals

Pawprint concluded the period with six larger companies as paying Pioneers, of which BrewDog, Aبردn (at the time Standard Life Aberdeen) and Peter Vardy are in the public domain, and five smaller companies as clients. This followed an in-depth research phase to interview over 100 companies about their challenges and opportunities relating to sustainability.

Fundraising

In November and December 2020 Pawprint raised a further £875k from existing and new private investors along with an additional £310k from crowdfunding. These shares were issued in February 2021 following the conclusion of the crowdfunding legal process.

Hiring

Pawprint hired a handful of people to support:

- Development of its application;
- Product design and;
- General administration

At the end of the year, total numbers employed were 16 people.

The company received a lot of external support, both financial and otherwise, during the year and it was clear a lot of people wanted it to succeed.

Aims

Pawprint's aim for the financial year to come to end 2021 are as follows:

- Launch the Pawprint for business app and proposition;
- Attract businesses ready to commit to rolling its business product out with their employee base and;
- Maximise collective carbon footprint reduction

We Are Pawprint Limited

Directors' report (continued)

For the period ended 31 December 2020

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Christian Arno

Ross Macnay

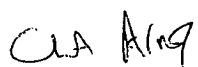
Mark McCafferty

Thomas Sermon

(Resigned 30 September 2020)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....
Christian Arno

Director

Date: 20/09/2021

We Are Pawprint Limited

Chartered accountants' report to the Board of Directors on the preparation of the unaudited statutory financial statements of We Are Pawprint Limited for the period ended 31 December 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of We Are Pawprint Limited for the period ended 31 December 2020 set out on pages 4 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of We Are Pawprint Limited, as a body, in accordance with the terms of our engagement letter dated 14 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of We Are Pawprint Limited and state those matters that we have agreed to state to the Board of Directors of We Are Pawprint Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than We Are Pawprint Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that We Are Pawprint Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of We Are Pawprint Limited. You consider that We Are Pawprint Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of We Are Pawprint Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Saffery Champness LLP

Chartered Accountants

30 September 2021

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

We Are Pawprint Limited**Income statement****For the period ended 31 December 2020**

	Period ended 31 December 2020 £	Period ended 31 May 2020 £
Turnover	10,692	5
Cost of sales	(35,407)	(179,775)
Gross loss	(24,715)	(179,770)
Administrative expenses	(487,831)	(221,322)
Other operating income	10,000	4,725
Loss before taxation	(502,546)	(396,367)
Tax on loss	65,350	65,570
Loss for the financial period	<u>(437,196)</u>	<u>(330,797)</u>

We Are Pawprint Limited

**Statement of financial position
As at 31 December 2020**

		Period ended 31 December 2020		Period ended 31 May 2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		9,337		1,756
Current assets					
Debtors	4	190,014		81,826	
Cash at bank and in hand		754,858		366,181	
		<u>944,872</u>		<u>448,007</u>	
Creditors: amounts falling due within one year	5	<u>(712,876)</u>		<u>(200,560)</u>	
Net current assets			<u>231,996</u>		<u>247,447</u>
Total assets less current liabilities			<u>241,333</u>		<u>249,203</u>
Capital and reserves					
Called up share capital	7		15		13
Share premium account			999,425		579,987
Equity reserve			9,886		-
Profit and loss reserves			<u>(767,993)</u>		<u>(330,797)</u>
Total equity			<u>241,333</u>		<u>249,203</u>

For the financial period ended 31 December 2020 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 period in question in accordance with section 476.

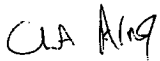
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

We Are Pawprint Limited

Statement of financial position (continued)

As at 31 December 2020

The financial statements were approved by the board of directors and authorised for issue on 30/09/2021..... 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 period ended 31 December 2020**

		Share capital	Share premium account	Equity reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 10 May 2019		-	-	-	-	-
Period ended 31 May 2020:						
Loss and total comprehensive income for the period		-	-	-	(330,797)	(330,797)
Issue of share capital	7	13	579,987	-	-	580,000
Balance at 31 May 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

We Are Pawprint Limited

Notes to the financial statements

For the period ended 31 December 2020

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 Reporting period

These accounts cover the period 1 June 2020 to 31 December 2020.

1.3 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.

1.4 Research and development expenditure

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

1.5 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:

IT equipment	20% straight line
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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.

1.6 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)

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

Notes to the financial statements (continued)
For the period ended 31 December 2020

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.

1.12 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.

1.13 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 period was:

	December 2020 Number	May 2020 Number
Total	13	7

We Are Pawprint Limited

Notes to the financial statements (continued)
For the period ended 31 December 2020

3 Tangible fixed assets

	IT equipment £
Cost	
At 1 June 2020	1,815
Additions	8,797
	<u>10,612</u>
At 31 December 2020	<u>10,612</u>
Depreciation and impairment	
At 1 June 2020	59
Depreciation charged in the period	1,216
	<u>1,275</u>
At 31 December 2020	<u>1,275</u>
Carrying amount	
At 31 December 2020	9,337
	<u>1,756</u>
At 31 May 2020	<u>1,756</u>

4 Debtors

	December 2020 £	May 2020 £
Amounts falling due within one year:		
Trade debtors	57,965	-
Corporation tax recoverable	130,920	65,570
Other debtors	1,129	16,256
	<u>190,014</u>	<u>81,826</u>
	<u>190,014</u>	<u>81,826</u>

5 Creditors: amounts falling due within one year

	December 2020 £	May 2020 £
Trade creditors	1,102	50,741
Taxation and social security	27,202	5,584
Other creditors	684,572	144,235
	<u>712,876</u>	<u>200,560</u>
	<u>712,876</u>	<u>200,560</u>

Notes to the financial statements (continued)
For the period ended 31 December 2020

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 2020.

Grant date	Number	Expiry date	Exercise price	Fair value (per share)
16/10/20	9,350,000	15/10/30	£0.00388	£0.00106

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 2020		Period ended 31 May 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the period	-	-	-	-
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>-</u>	<u>-</u>

Share options exercised during the year

There were no share options exercised during the period-ended 31 December 2020, nor in the prior period.

Notes to the financial statements (continued)
For the period ended 31 December 2020

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 2020	Period ended 31 May 2020
Weighted average exercise price	£0.00232	-
Weighted average remaining contractual life (years)	9.80	-

The charge to the statement of comprehensive income of £9,886 (May 2020: Nil) 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 2020	May 2020
Valuation method	Black-Scholes	Black-Scholes
Risk free interest rate	0.14%	n/a
Expected life (average years)	3	n/a
Expected volatility	40%	n/a
Dividend yield	0%	n/a

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 period ended 31 December 2020**

7 Called up share capital

	December 2020	May 2020
	£	£
Ordinary share capital		
Issued and fully paid		
129,000 Ordinary shares of £0.0001 each	-	13
149,972,000 Ordinary shares of £0.0000001 each	15	-
	<u>15</u>	<u>-</u>

On 26 June 2020 129,000 Ordinary £0.0001 shares were sub-divided to 129,000,000 £0.0000001 shares.

Following this, on 30 June 2020 20,972,000 £0.0000001 shares were allotted.

8 Operating lease commitments

Office rental costs for the year are £3,374 (2020: £10,222).

9 Events after the reporting date

On 26 February 2021, 39,404,237 Ordinary £0.0000001 shares were issued for a total consideration of £1,182,127.