

Company Registration No. 06146113 (England and Wales)

GOHENRY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THURSDAY



ABDKQ2M9

A13

29/09/2022

#393

COMPANIES HOUSE

**GOHENRY LIMITED AND ITS SUBSIDIARIES
COMPANY INFORMATION**

Directors

N Brauer
R D Jones
B D Roche
A Zivoder
C Sudgen
P Han
D M Zier

Registration No.

06146113

Registered Office

Stirley House
Ampress Lane
Ampress Park
Lymington
SO41 8LW

Auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

GOHENRY LIMITED AND ITS SUBSIDIARIES

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 9
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Company statement of financial position	12
Consolidated statement of changes in equity and company statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 - 40

GOHENRY LIMITED AND ITS SUBSIDIARIES STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Business Review and future developments

GoHenry was launched in July 2012, after a small group of friends got talking about the challenges of helping children to understand and manage money. The product itself is two parts, a pre-paid debit card for children with a companion service app for parents and child users. On the app, parents can set up automatic allowance transfers, make ad-hoc transfers, set up chores and also receive real-time notifications of their children's spending. The children are able to spend under parental control limits, to earn money, set savings goals, visualise their spending habits and also set up regular payments to charity. The children can also undertake Money Missions and receive rewards as they learn more about managing money.

GoHenry operates a subscription-based model whereby parents pay a monthly membership fee. The business generates additional revenue via interchange fees, custom card fees and load fees. GoHenry now has over 2m members throughout the UK, US and Europe. The business continues to grow both its membership base and revenues throughout the markets in which it operates.

In December 2020, GoHenry raised \$40m of equity capital through a Series A round.

In August 2021 GoHenry entered into a loan facility to provide loan funding of up to \$40m.

In June 2022 the business entered the European market for the first time as a result of its acquisition of BFF Financial Services SAS, which trades under the Pixpay brand currently in France and Spain. See note 27 for further information on this acquisition

In September 2022 GoHenry raised \$55m of equity capital through a Series B round. See note 27 for further information on this.

The funds raised will be invested to expand into new geographical markets, further grow market share and to expand the product and technology suite.

Revenue has increased from £19,706,615 in 2020 to £30,588,580 in 2021, as the Group continued to grow the number of members in both the UK and the US.

Gross profit has increased from £11,238,230 in 2020 to £16,215,286 in 2021 which reflects the increased revenue during the year, with a slight reduction in gross profit margin from 57% in 2020 to 53% in 2021 due to increased acquisition related costs.

The loss after taxation of £30,510,205 (2020: £1,520,147) reflects the accelerated investment in customer acquisitions in both the UK and US as well as investment throughout all areas of the business.

With continued regional and international expansion, average Group headcount grew to 214 employees as at 31 December 2021 spread across offices in the UK, US and Canada.

Society is becoming increasingly cashless and this trend accelerated during the Covid-19 pandemic with more purchases being transacted online, and with contactless payments overtaking cash payments in shops. The US and the UK are two of the fastest economies in the world to adopt digital/card payments. GoHenry is ensuring that the next generation is up to speed with emerging payment technologies, and is ideally positioned to become the global leader for Gen Z finance. GoHenry publishes annually research on the Youth Economy of the UK and the US, to track the trends, economic contributions and changes in behaviours of the children and teenagers population.

In 2022 GoHenry will continue to invest in and expand our technical infrastructure to support the growth in market share, number of transactions, product usage and customer enquiries that will come with the increased size of our customer base. GoHenry will also continue to expand into new geographical markets.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties

Strategic Risk

This is the risk that GoHenry fails to execute its strategic plan due to poor planning or changes in the macroeconomic environment. As a consumer product, GoHenry relies on consumers' willingness and disposable income available to pay for the service. We are dealing with competitive pressure as new entrants come into the market forcing us to stay ahead of the curve in terms of product and price proposition.

Mitigating measures

GoHenry assumes a corporate governance framework with a board of experienced executive and non-executive directors, supported by an operating board comprised of the group's senior management team, both of which oversee and address strategic issues in an agile way as they arise.

Liquidity and capital risk

This is the risk that the business either has insufficient cash to be able to meet its financial obligations or insufficient capital resources to absorb the expected losses generated by its high growth business plans, and unexpected losses if they were to occur.

Mitigating measures

The Board and Executive team review the business' current and projected cash flow position on a recurring basis. The Board operates a strict policy of prudent capital management as a minimum. The Executive team regularly run plausible scenarios and forecasting to ensure that the group's capital is managed sustainably. The business has recently completed a Series B fundraise, see note 27 for more information.

Financial crime risk

This is the risk that the GoHenry product is used to launder the proceeds of crime, finance terrorist activities, commit fraud or evade financial sanctions.

Mitigating measures

GoHenry recognises that inherent financial crime risk continues to evolve and increase. We operate a robust KYC and AML procedure and perform ongoing monitoring of transactions led by a highly skilled and dedicated risk team. Fraud prevention software helps to provide multi-layered checks on email addresses and personal details provided by our customers in the GoHenry signup process.

GoHenry is committed to maintaining a control environment that enables it to respond promptly and effectively to emerging financial crime threats.

Credit risk

The Group has minimal exposure to credit risk due to the fact that the business does not extend credit terms to its customers.

Operational risk

In the course of its business activities GoHenry relies on its operational infrastructure, technology, processes and our employees which creates an inherent risk as we experience platform outages and other IT issues during times of stress, resulting in us failing to deliver critical banking and support services to our customers. This risk is heightened because GoHenry deals so widely in children's spending and data.

Mitigating measures

GoHenry continues to monitor operational risk closely. We monitor and manage a range of operational risk policies and procedures which cover operational infrastructure, technology, processes and our employees. We continue to work with our carefully selected software providers enhancing our platforms further in the year to improve customer experience and the speed of interaction. GoHenry continues to invest in its operational risk and operational resilience capability to enable prompt and effective risk identification, assessment and mitigation.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Regulatory Risk

GoHenry is a customer focused business also working with children. The industry we operate in is subject to extensive and comprehensive regulation as well as there being a risk that the scale and pace of regulatory change continues to increase. As a result, GoHenry is exposed to various regulatory and compliance risks which could cause customer harm, financial losses or reputational damage.

Mitigating measures

All of GoHenry's policies ensure that the business is compliant with relevant rules and regulations. Specific policies aimed at financial crime, anti-bribery and corruption are in place to guide the business decisions. The regulatory environment we are within continues to evolve, needing significant effort and investment from us. We actively engage with issuing banks, partners and industry bodies to take part in consultation processes. We also review regulatory publications to assess the implications and plan for any changes where necessary.

Cyber and Data security risk

A principal risk for GoHenry is the cyber security threat which might attempt to access GoHenry systems or customer and payment data from being a financial services provider. GoHenry handles a significant amount of personal information provided by its customers as well as employee data and other confidential information. We must comply with strict data protection and privacy laws and regulations within the various jurisdictions we operate in while protecting our reputation.

Mitigating measures

GoHenry continues to improve our data management approach and strengthen our monitoring framework. Our Head of Information Security monitors cyber threats to report and prevent suspicious activity. GoHenry continues to invest in its digital platform and security posture and builds resilient and secure technologies and processes to prevent breaches of data security.

Conduct and culture risk

This is the risk that GoHenry's culture, actions or behaviours cause harm to any customers e.g. developing a product that doesn't meet their needs or provide the promised level of service. This can arise from the actions or inactions of group employees or those acting on behalf of GoHenry.

Mitigating measures

All temporary and permanent employees go through thorough ID checks and background screening, and receive training required to exercise their functions including child protection. GoHenry has a suite of conduct-related policies and procedures covering how employees are expected to behave with particular importance placed on fair customer outcomes. The People team continue to hire employees as the business grows, and are investing in the employees to promote employee retention and employee development.

Corporate Governance

The Board of Directors is the governing body of GoHenry. On a recurring basis, members of the board set the strategic goals for the business and ensures that the required financial and human resources are in place to meet the strategic and operational objectives of the group. The board has overall responsibility for:

- a. Setting and overseeing the business model, strategic decisions and the group's mission statement
 - b. Defining and monitoring the culture of the organisation
 - c. Maintaining effective systems and controls to ensure operational efficacy, absolute compliance with applicable laws
 - d. Setting and overseeing the budget and capital management
 - e. Securing the requisite financial and human resources to enable GoHenry to fulfil its business strategy
 - f. Monitoring business performance against the strategic objectives and expected standards
 - g. Overseeing corporate shareholder management and investor communications
 - h. Determining the matters that should be reserved for the Board's decision
-

**GOHENRY LIMITED AND ITS SUBSIDIARIES
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Board meets once every quarter. Additional meetings are held as required. The Board comprises a balance of Executive and Non-Executive Directors. The Chairperson is appointed to lead and manage the board.

The board has appointed two committees of its directors - one for Remuneration (which takes charge of compensation policy, and incentivisation matters such as options), and an Audit Committee (this committee orchestrates not only GoHenry's annual audit, but its risk management and controls).

The board has overall responsibility for the effective running of the group. They have delegated to the CEO and through the CEO to the Executives, the day-to-day management of the group in line with the strategy as set by the board. The CEO is required to report to the Board on a regular basis on the performance of the group and is expected to escalate certain matters that may require the Board's consideration on significant developments.

On behalf of the board

DocuSigned by:

0869D6744CA4486...
B D Roche
Director
Date: 28 September 2022

**GOHENRY LIMITED AND ITS SUBSIDIARIES
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and financial statements for the year ended 31 December 2021.

The directors' review of the business performance and risk exposure of the group is detailed in the Strategic Report.

Principal activity

The principal activity of the group is that of a web and mobile-based service with a payment card for children and teenagers, that allows parents to support their children in learning the use of money, and to have access to family targeted financial services.

Directors

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

N Brauer
R D Jones
B D Roche
A Zivoder
C Sudgen
P Han (appointed on 23 February 2021)
D M Zier (appointed on 01 January 2021)

Research and development activities

The Group continues to invest in the creation of proprietary payment infrastructure technology and of product features.

Dividend

The directors do not recommend a dividend (2020: £nil recommended).

Going concern

The Group incurred a loss after taxation for the year of £30,510,205 (2020: loss of £1,520,147), reflecting the decision of the Directors to prioritise growth ahead of short term profitability.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

In September 2022 the Group raised additional equity funding of \$55m via a Series B fund raise. This has provided the Group with the funding required to implement its plans for the remainder of 2022 and throughout 2023.

The directors have prepared cash flow forecasts for the period to 30 September 2023 which demonstrate that the business has no cash shortfall and sufficient headroom available over the period of review. The business also has significant scope to modify its operational plans and reduce its operational expenditure in order to extend the cash runway in the event that this is required.

As a result of the Series B fund raise and the forecasts prepared, at the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future, thus the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Directors' liability insurance

Directors' liability insurance is in place for the Directors' of GoHenry Limited and its subsidiaries.

The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2021 financial year and remain in force for all current and past Directors of the Group.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law to prepare group financial statements in accordance with UK-adopted International Accounting Standards and to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 group and the company and of the profit or loss of the group for that period

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

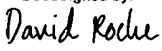
Auditors

RSM UK Audit LLP were appointed auditors to the Company and Group and in accordance with section 485 of the Companies Act 2006 a resolution to reappoint RSM UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

DocuSigned by:

0669D6744CA4486...
B D Roche
Director

Date: 28 September 2022

**GOHENRY LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Opinion

We have audited the financial statements of gohenry Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity and company statement of changes in equity, the consolidated statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and parent 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 directors' 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 group's or the parent 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.

GOHENRY LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

**GOHENRY LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are IFRS / UK-adopted IAS, FRS101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with the information commissioner.

The group audit engagement team identified the risk of management override of controls and existence of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and agreeing revenue to underlying reconciliations and third party reports.

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

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.

Saxon Moseley

SAXON MOSELEY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 28 September 2022

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	(as restated) £
Revenue	4	30,588,580	19,706,615
Cost of sales		(14,373,294)	(8,468,385)
Gross Profit		<u>16,215,286</u>	<u>11,238,230</u>
Administrative expenses		(47,104,651)	(12,400,127)
Other operating income		41,014	-
Operating loss		<u>(30,848,351)</u>	<u>(1,161,897)</u>
Investment income		472	2,465
Finance costs	8	(58,291)	(911,061)
Loss before taxation	5	<u>(30,906,170)</u>	<u>(2,070,493)</u>
Taxation	9	395,956	550,346
Loss for the financial year after taxation		<u>(30,510,214)</u>	<u>(1,520,147)</u>
Other comprehensive income		(278,377)	305
Total comprehensive loss for the year		<u>(30,788,591)</u>	<u>(1,519,842)</u>

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Total comprehensive loss for the year and retained earnings at 31 December 2021 are attributable to the owners of the company.

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021		2020 (as restated)	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	10	1,002,303		1,687,963	
Property, plant and equipment	11	1,187,294		515,962	
		<u>2,189,597</u>		<u>2,203,925</u>	
Current Assets					
Inventories	14	1,567,473		770,499	
Trade and other receivables	15	6,722,150		4,077,428	
Cash and cash equivalents		<u>20,726,438</u>		<u>31,186,638</u>	
		29,016,061		36,034,565	
Current Liabilities	16	<u>(7,082,717)</u>		<u>(6,182,743)</u>	
Net Current Assets		21,933,344		29,851,822	
Total Assets less Current Liabilities		<u>24,122,941</u>		<u>32,055,747</u>	
Non current liabilities	17	(22,701,382)		(445,474)	
Net assets		<u>1,421,559</u>		<u>31,610,273</u>	
Equity					
Called up share capital	23	69,389		69,377	
Share premium account	24	50,798,600		50,797,651	
Share based payment reserve	22,24	1,012,209		413,302	
Retained Earnings	24	(50,181,563)		(19,671,349)	
Other reserve	24	(277,085)		1,292	
Total Equity		<u>1,421,550</u>		<u>31,610,273</u>	

These financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed for issue on its behalf by:

DocuSigned by:

David Roche

0669D6744CA4486...

B D Roche
 Director

Company Registration No. 06146113

GOHENRY LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021		2020 (as restated)	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	10		1,002,303		1,687,963
Property, plant and equipment	12		1,165,001		515,136
Investment	13		12		12
			<u>2,167,316</u>		<u>2,203,111</u>
Current Assets					
Inventories	14	1,567,473		770,499	
Trade and other receivables	15	5,102,629		4,055,725	
Cash and cash equivalents		<u>16,907,761</u>		<u>31,172,339</u>	
		23,577,863		35,998,563	
Current Liabilities	16	<u>(6,168,859)</u>		<u>(6,180,446)</u>	
Net Current Assets			17,409,004		29,818,117
Total Assets less Current Liabilities			<u>19,576,320</u>		<u>32,021,228</u>
Non current liabilities	17		(724,174)		(445,474)
Net assets			<u>18,852,146</u>		<u>31,575,754</u>
Equity					
Called up share capital	23		69,389		69,377
Share premium account	24		50,798,600		50,797,651
Share based payment reserve	22,24		1,012,209		413,302
Retained Earnings	24		(33,028,052)		(19,704,576)
Total Equity			<u>18,852,146</u>		<u>31,575,754</u>

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. The Group loss for the financial year includes a loss of £13,323,476 (2020 (as restated) - £1,529,024) which is dealt with in the financial statements of the Company.

These financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed for issue on its behalf by:

DocuSigned by:

 0669D6744CA4486...
B D Roche
Director

Company Registration No. 06146113

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 January 2020		51,808	22,314,933	192,546	987	(18,281,181)	4,279,093
Transition adjustments	28a					(571)	(571)
As restated		51,808	22,314,933	192,546	987	(18,281,752)	4,278,522
Year ended 31 December 2020							
Comprehensive loss for the year		-	-	-	-	(1,520,147)	(1,520,147)
Loss for the year - as restated		-	-	-	-	-	-
Other comprehensive income for the year		-	-	-	305	-	305
Exchange differences on consolidation		-	-	-	305	(1,520,147)	(1,519,842)
Total comprehensive loss for the year		17,569	28,482,718	-	-	-	28,500,287
Issue of share capital		-	-	351,306	-	-	351,306
Share based payment		-	-	(130,550)	-	130,550	-
Credit to equity for equity settled share-based payments		-	-	-	-	-	-
Balance at 31 December 2020	23,24	69,377	50,797,651	413,302	1,292	(19,671,349)	31,610,273
Year ended 31 December 2021							
Comprehensive loss for the year		-	-	-	-	(30,510,214)	(30,510,214)
Loss for the year		-	-	-	-	-	-
Other comprehensive income for the year		-	-	-	(278,377)	-	(278,377)
Exchange differences on consolidation		-	-	-	(278,377)	-	(278,377)
Total comprehensive loss for the year		12	949	-	-	-	961
Issue of share capital		-	-	583,844	-	-	583,844
Share based payment		-	-	-	-	-	-
Credit to equity for equity settled share-based payments		-	-	-	-	-	-
Other movements		-	-	15,063	-	-	15,063
Balance at 31 December 2021	23,24	69,389	50,798,600	1,012,209	(277,085)	(50,181,563)	1,421,550

GOHENRY LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Retained earnings £	Total £
Balance at 1 January 2020		51,808	22,314,933	192,546	(18,305,531)	4,253,756
Transition adjustments	28a				(571)	(571)
As restated		51,808	22,314,933	192,546	(18,306,102)	4,253,185
Year ended 31 December 2020						
Loss and total comprehensive loss for the year - as restated		-	-	-	(1,529,024)	(1,529,024)
Issue of share capital		17,569	28,482,718	-	-	28,500,287
Share based payment		-	-	351,306	-	351,306
Credit to equity for equity settled share-based payments		-	-	(130,550)	130,550	-
Balance at 31 December 2020	23,24	69,377	50,797,651	413,302	(19,704,576)	31,575,754
Year ended 31 December 2021						
Loss and total comprehensive loss for the year		-	-	-	(13,323,476)	(13,323,476)
Loss for the year		-	-	-	-	-
Issue of share capital		12	949	-	-	961
Share based payment		-	-	583,844	-	583,844
Credit to equity for equity settled share-based payments		-	-	-	-	-
Other movements		-	-	15,063	-	15,063
Balance at 31 December 2021	23,24	69,389	50,798,600	1,012,209	(33,028,052)	18,852,146

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	(as restated)
		£
Loss for the financial year after tax	(30,510,214)	(1,520,147)
Adjustments for:		
Taxation	(395,956)	(550,346)
Interest income	(472)	(2,465)
Finance costs	58,291	911,061
Depreciation of property, plant and equipment	526,061	265,684
Amortisation of intangible assets	829,959	611,421
Impairment of intangible assets	623,809	-
Share based payment costs	583,844	351,306
	<u>(28,284,678)</u>	<u>66,514</u>
Movements in working capital		
Increase in inventories	(796,974)	(443,400)
Increase in trade and other receivables	(2,798,992)	(1,192,728)
Increase in trade and other payables	707,573	2,905,265
Cash (used in)/generated from operating activities	<u>(31,173,071)</u>	<u>1,335,651</u>
Interest income	472	2,465
Income taxes received	550,587	363,714
Net cash (outflow)/inflow from operating activities	<u>(30,622,012)</u>	<u>1,701,830</u>
Investing activities		
Purchase of property, plant and equipment	(189,926)	(107,658)
Purchase of intangible assets	<u>(768,107)</u>	<u>(634,241)</u>
Net cash used in investing activities	(958,033)	(741,899)
Financing activities		
Proceeds from issue of shares	960	28,500,287
Loans received	21,453,250	-
Capital element of lease payment	(448,523)	(195,534)
Interest paid	(165,317)	-
Interest paid on finance leases	<u>(16,702)</u>	<u>(19,964)</u>
Net cash generated from financing activities	20,823,668	28,284,789
Net (decrease)/increase in cash and cash equivalents	<u>(10,756,377)</u>	<u>29,244,720</u>
Cash and cash equivalents at the beginning of the financial year	31,186,638	2,833,015
Difference on foreign exchange	296,177	(891,097)
Cash and cash equivalents at the end of the financial year	<u><u>20,726,438</u></u>	<u><u>31,186,638</u></u>
Cash at bank balances	20,726,438	31,186,638
Cash and cash equivalents	<u><u>20,726,438</u></u>	<u><u>31,186,638</u></u>

**GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Summary of Significant Accounting Policies

Company information

GoHenry Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stirley House, Ampress Lane, Ampress Park, Lymington, SO41 8LW.

1.1 Accounting convention

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These financial statements for the year ended 31 December 2021 are the first financial statements of GoHenry Limited prepared in accordance with IFRS. The company transitioned from UK GAAP to IFRS for all periods presented and the date of transition to IFRS was 01 January 2019.

Reduced disclosures

The figures presented in relation to the Company's individual financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

In accordance with FRS 101 the following exemptions from the requirements of IFRS have been applied in the preparation of the company financial statements and, where relevant, equivalent disclosures have been made in the consolidated financial statements of the parent company:

- Presentation of a Company Cash Flow Statement and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of company key management compensation;
- A reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- Disclosure of the effect of financial instruments on the Statement of Comprehensive Income;
- For company financial instruments measured at fair value, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value;
- Related party disclosures in respect of two or more wholly owned members of the group; and
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

The financial statements of the Company are consolidated within these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group. 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.

Subsidiary exemption

For the year ended 31 December 2021, the company's subsidiary gohenry Family Finance Limited was entitled to exemption from audit under section 479A of Companies Act 2006 relating to subsidiary companies.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting Policies (continued)

1.2 Going concern

The Group incurred a loss after taxation for the year of £30,510,205 (2020: loss of £1,520,147), reflecting the decision of the Directors to prioritise growth ahead of short term profitability.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

In September 2022 the Group raised additional equity funding of \$55m via a Series B fund raise. This has provided the Group with the funding required to implement its plans for the remainder of 2022 and throughout 2023.

The directors have prepared cash flow forecasts for the period to 30 September 2023 which demonstrate that the business has no cash shortfall and sufficient headroom available over the period of review. The business also has significant scope to modify its operational plans and reduce its operational expenditure in order to extend the cash runway in the event that this is required.

As a result of the Series B fund raise and the forecasts prepared, at the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future, thus the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

1.3 International Financial Reporting Standards (IFRS) - amendments

No new International Financial Reporting Standards (IFRS), amendments or interpretation became effective in the year ended 31 December 2021 which have a material effect on this financial information.

At the date of issue of these financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective:

Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards
Amendments to IFRS 16 to provide lessees with an exemption from assessing whether a COVID - 19 related rent concession is a lease modification
Amendments to the presentation of Financial Statements: Classification of liabilities.
Amendments to IAS 16 in deducting amounts received from the cost
Amendments to IAS 37 in assessing whether a contract is onerous
Amendments to IAS 1 in disclosure of accounting policies
Amendments to IAS 8 in the definition of Accounting Estimates
Amendments to IAS 12 in deferred tax relating to assets and liabilities arising from a single transaction
IFRS 17 establishing new principles for the recognition, measurement, presentation and disclosure of Insurance contracts

It is not anticipated that adoption of the standards and interpretations listed above will have a material impact on the current financial position and performance of the company.

1.4 Basis of consolidation

The group financial statements include the accounts of the company and of its subsidiary undertakings drawn up to 31 December 2021 as detailed in note 13 to the accounts. Profits or losses on intra-group transactions are eliminated in full. The results of the subsidiaries have been consolidated from the date of their acquisition.

1.5 Revenue

Revenue comprises membership fee income, custom card fees, transaction fees and commissions receivable on transactions executed using the service offering, and excludes value added tax and trade discounts.

Revenue is recognised at a point in time when the relevant performance obligation has been satisfied. There are no contracts whose performance obligations are satisfied over time. Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. Contracts with customers do not contain a financing component or any element of variable consideration.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies (continued)

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - Domain names

Domain names acquired are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost on a systematic basis over its estimated useful economic life of 10 years.

1.8 Intangible fixed assets - Development costs

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost on a systematic basis over its estimated useful economic life of 2 - 3 years.

Identifiable development expenditure is capitalised where there is expected to be a benefit to future periods, its technical, commercial and financial feasibility can be demonstrated and it can be reliably measured. All other development expenditure is recognised as an expense in the period in which it is incurred.

1.9 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised on a straight line basis so as to write off the cost of the assets less their residual values over their useful lives:

Fixtures, fittings & equipment	3 - 5 years per annum
Right-of-use assets	Over the lease term

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 the income statement.

The right of use asset consists of three office leases and are carried under the cost model. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

1.10 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential. Inventories held for distribution for consideration are measured at the lower of cost and net realisable value, adjusted where applicable for any loss of service potential.

Inventories are recognised at the point the risks and rewards are transferred to the company at the point of dispatch.

1.11 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies (continued)

1.12 Impairment of non-current assets and right-of-use assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.13 Cash and cash equivalents

Cash and cash equivalents 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 where applicable. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial assets

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

Debt instruments at amortised cost

Trade receivables and loans are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are measured as "debt instruments at amortised cost"

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting Policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.15 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Other financial liabilities

Other financial liabilities, including interest bearing borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.16 Equity instruments

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

1.17 Taxation

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

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 group'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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group 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.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies (continued)

1.18 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 non-current assets.

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

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.20 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 an appropriate pricing 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.

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 payments expense is not adjusted if the modified fair value is less than the original fair value.

1.21 Leases

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease obligation with respect to all lease arrangements in which it is the lessee, except for short-term leases with a lease term of 12 months or less and leases of low value assets where the company has elected to recognise the lease payments for such leases as an operating expense on a straight-line basis over the term of the lease.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The lease obligation is subsequently measured by increasing the carrying amount to reflect interest on the lease obligation using the effective interest rate method and by reducing the carrying amount to reflect the lease payment made.

The right-of-use assets comprise the initial measurement of the corresponding lease obligation, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and where applicable, impairment losses.

Right-of-use assets are depreciated over the shorter period of the enforceable term of the lease, and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting Policies (continued)

1.22 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign exchange gains and losses that relate to borrowings and cash cash equivalents are presented in the profit and loss account within finance costs.

All other foreign exchange gains and losses are presented in the profit and loss account within other foreign exchange gains and losses.

The rate of exchange ruling at the statement of financial position date is used for translating into sterling the assets and liabilities of the overseas subsidiaries whilst the results and cash flows are translated at the average rate of exchange for the year. Exchange differences arising on consolidation are taken directly to reserves.

2 Adoption of new and revised Standards

The company has adopted the IFRS 16 Leases standard as of 1 January 2019. Under IFRS 16, all leases will be recognised in the lessee's statement of financial position as the classification between operating and finance leases according to FRS102 Section 20 will no longer be valid. In accordance with the new standards, all assets under a lease agreement (right-of-use assets) and future lease payment obligations (lease obligations) are recognised in the statement of financial position, except for short-term leases and leases of low value assets where the company has elected to apply the practical expedient and not recognise right-of-use assets and lease obligations for such leases.

On initial application, the company has elected to record right-of-use assets based on the corresponding lease obligations. Right-of-use assets and lease obligations of £45,863 were recorded as of 1 January 2019. When measuring lease obligations, the company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 3.41%. The company has chosen the modified retrospective approach and accordingly the information presented in 2018 has not been restated.

Details are described in note 28.

3 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other information. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Deferred tax asset

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

Research and development expenditure

The directors use their judgments in the assessment of the extent, if any, to which expenditure is identified as development expenditure rather than research expenditure.

Impairment of non-current assets

The directors review the carrying value of non-current assets including intangible assets for indications of impairment at the financial year end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its estimated recoverable amount.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Judgements and key sources of estimation uncertainty (continued)

Share-based payments

The group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility, the number of options that are expected to vest and the expected life of the option.

Useful economic life of tangible and intangible fixed assets

Management judgement is used to determine the appropriate useful economic life of intangible and tangible fixed assets based on the estimated period of use.

4 Revenue

Revenue, analysed geographically between markets, was as follows:-

	2021	2020 (as restated)
	£	£
United Kingdom	25,957,806	17,177,163
Rest of the World	4,630,774	2,529,452
	<u>30,588,580</u>	<u>19,706,615</u>

5 Loss from operations

	2021	2020 (as restated)
	£	£
Loss from operations is stated after charging:		
Amortisation of intangible assets	829,959	611,421
Impairment loss on intangible assets	623,809	-
Research and development charged as an expense	970,073	95,325
Staff costs including directors remuneration	12,121,131	6,140,744
Depreciation of property, plant and equipment	86,717	60,331
Depreciation of right-of-use asset	439,344	205,353
Rent expense relating to short term leases	46,195	151,898
Auditors' remuneration - group audit fees	72,000	20,500
- company audit fees	-	17,000
- other services	-	35,180
- tax compliance services	-	23,500
Marketing costs	29,800,953	3,278,936
Inventories recognised as an expense	1,163,414	742,709
Exchange (gains)/losses	<u>(334)</u>	<u>(60,768)</u>

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees (including directors)

Number of employees

The average number of employees (including directors) during the year was:

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Administrative and management	214	139	201	137
Employment costs	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Salaries	10,747,720	5,653,328	9,729,733	5,527,626
Social security costs	1,132,595	544,938	1,041,918	544,149
Pension costs	155,538	69,158	142,658	69,158
Share-based payments	583,844	351,306	583,844	351,306
Total staff costs	12,619,697	6,618,730	11,498,153	6,492,239
Amounts capitalised	(498,566)	(477,986)	(498,566)	(477,986)
Staff costs charged to profit and loss	12,121,131	6,140,744	10,999,587	6,014,253

7 Directors' Emoluments

	Group	
	2021	2020
	£	£
Emoluments	415,831	441,359
Share-based payments	101,210	139,266
Company pension contributions to defined contribution schemes	2,636	4,181
	519,677	584,806
Emoluments disclosed above include the following in respect of the highest paid director:		
Emoluments	190,215	222,727
Share-based payments	18,200	-
Company pension contributions to defined contribution schemes	1,318	-
	209,733	222,727

Key management personnel are considered to be the Board of Directors.

The number of directors for whom retirement benefits are accruing under defined contribution pension schemes amounted to 3 (2020 - 3).

No directors (2020: nil) exercised share options during the year.

8 Finance costs	Group	
	2021	2020
	£	£
(Gain)/loss on foreign exchange on cash and cash equivalents	(284,000)	891,097
Interest on bank loans	325,589	-
Interest on lease obligations	16,702	19,964
	58,291	911,061

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation	2021 £	2020 £
------------	-----------	-----------

Current tax credit

UK corporation tax	<u>(395,956)</u>	<u>(550,346)</u>
--------------------	------------------	------------------

The tax credit for the year can be reconciled to the loss per the income statement as follows:

Loss before taxation	<u>(30,906,170)</u>	<u>(2,070,493)</u>
----------------------	---------------------	--------------------

Expected tax based on the standard rate of UK corporation tax of 19.00% (2020 - 19.00%)	(5,872,172)	(393,394)
---	-------------	-----------

Effects of:

Non deductible expenses	26,610	1,934
Losses carried forward not provided	5,664,276	329,894
Share based payment charge	110,930	66,748
Movement in deferred tax not provided	70,356	(7,048)
R&D tax credit	(395,663)	(550,346)
Adjustment in respect of prior year	(302)	-
Effect of transitional adjustment	-	1,866

Current tax credit for the year	<u>(395,965)</u>	<u>(550,346)</u>
--	------------------	------------------

The company has estimated tax losses of £28,387,138 (2020 - £15,756,752) to carry forward against future trading profits. A potential deferred tax asset of £7,096,785 (2020 - £3,939,188) has not been recognised on these tax losses due to uncertainty as to the timing of utilisation.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Intangible Fixed Assets

Group and Company	Domain Names £	Development Costs £	Total £
Cost			
At 1 January 2021	94,451	3,389,534	3,483,985
Additions	121,355	646,752	768,107
At 31 December 2021	<u>215,806</u>	<u>4,036,286</u>	<u>4,252,092</u>
Amortisation			
At 1 January 2021	19,702	1,776,320	1,796,022
Charge for the year	35,445	794,513	829,958
Impairment	-	623,809	623,809
At 31 December 2021	<u>55,147</u>	<u>3,194,642</u>	<u>3,249,789</u>
Net book values			
At 31 December 2021	<u>160,659</u>	<u>841,644</u>	<u>1,002,303</u>
Cost			
At 1 January 2020	65,866	2,783,878	2,849,744
Additions	28,585	605,656	634,241
At 31 December 2020	<u>94,451</u>	<u>3,389,534</u>	<u>3,483,985</u>
Amortisation			
At 1 January 2020	12,461	1,172,140	1,184,601
Charge for the year	7,241	604,180	611,421
At 31 December 2020	<u>19,702</u>	<u>1,776,320</u>	<u>1,796,022</u>
Net book values			
At 31 December 2020	<u>74,749</u>	<u>1,613,214</u>	<u>1,687,963</u>

Capitalised development expenditure represents the cost of designing the software currently being sold by the company where these costs meet the criteria to be capitalised. It is amortised on a straight line basis over a period of 2 - 3 years. The amortisation expense is included in administrative expenses.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11 Property, plant and equipment

Group	Right-of-use assets	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2021 - as restated	595,898	331,441	927,339
Additions	1,017,028	189,927	1,206,955
Disposals	(9,562)	-	(9,562)
At 31 December 2021	<u>1,603,364</u>	<u>521,368</u>	<u>2,124,732</u>
Depreciation			
At 1 January 2021 - as restated	216,360	195,017	411,377
Charge for the year	439,344	86,717	526,061
Disposals	-	-	-
At 31 December 2021	<u>655,704</u>	<u>281,734</u>	<u>937,438</u>
Net book values			
At 31 December 2021	<u>947,660</u>	<u>239,634</u>	<u>1,187,294</u>
Cost			
At 1 January 2020 - as restated	45,863	223,783	269,646
Additions	550,035	109,146	659,181
Disposals	-	(1,488)	(1,488)
At 31 December 2020 - as restated	<u>595,898</u>	<u>331,441</u>	<u>927,339</u>
Depreciation			
At 1 January 2020 - as restated	11,007	134,686	145,693
Charge for the year	205,353	60,910	266,263
Disposals	-	(579)	(579)
At 31 December 2020 - as restated	<u>216,360</u>	<u>195,017</u>	<u>411,377</u>
Net book values			
At 31 December 2020 - as restated	<u>379,538</u>	<u>136,424</u>	<u>515,962</u>

The right of use asset relates to three office leases of over 12 months.
The lease liabilities referred to in note 20 relate to this lease.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Property, plant and equipment

Company	Right-of-use assets	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2021 - as restated	595,898	330,212	926,110
Additions	1,017,028	168,460	1,185,488
Disposals	(9,562)	-	(9,562)
At 31 December 2021	<u>1,603,364</u>	<u>498,672</u>	<u>2,102,036</u>
Depreciation			
At 1 January 2021 - as restated	216,360	194,614	410,974
Charge for the year	439,344	86,717	526,061
Disposals	-	-	-
At 31 December 2021	<u>655,704</u>	<u>281,331</u>	<u>937,035</u>
Net book values			
At 31 December 2021	<u>947,660</u>	<u>217,341</u>	<u>1,165,001</u>
Cost			
At 1 January 2020 - as restated	45,863	222,554	268,417
Additions	550,035	109,146	659,181
Disposals	-	(1,488)	(1,488)
At 31 December 2020 - as restated	<u>595,898</u>	<u>330,212</u>	<u>926,110</u>
Depreciation			
At 1 January 2020 - as restated	11,007	134,686	145,693
Charge for the year	205,353	60,507	265,860
Disposals	-	(579)	(579)
At 31 December 2020 - as restated	<u>216,360</u>	<u>194,614</u>	<u>410,974</u>
Net book values			
At 31 December 2020 - as restated	<u>379,538</u>	<u>135,598</u>	<u>515,136</u>

The right of use asset relates to three office leases of over 12 months.
The lease liabilities referred to in note 20 relate to this lease.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13	Fixed Asset Investment - Company	Shares in Group Undertakings £
13.1	Cost	
	At 1 January 2021	12
	Additions	-
	At 31 December 2021	<u>12</u>

13.2 At 31 December 2021 the company held more than 20% of the equity of the following:

Name of Company	Registered office	Country of incorporation	Shares Held Class	Proportion of Shares Held	Nature of Business
gohenry Inc	3500 South DuPont Highway City of Dover County of Kent 19901	USA	Ordinary	100%	Business support
gohenry Financial Technology Inc	1600 - 925 West Georgia Street Vancouver BC V6C 3L2	Canada	Ordinary	100%	Business support
gohenry Family Finance Limited	Stirley House Ampress Lane Lymington SO41 8LW	England	Ordinary	100%	Business support

All subsidiaries have been included in the consolidated accounts.

gohenry Family Finance Limited has taken the exemption in Section 479A of Companies Act 2006 ("the Act") from the requirement in the Act for their individual accounts to be audited.

14	Inventories	Group		Company	
		2021	2020	2021	2020
		£	£	£	£
	Goods held for distribution	1,567,473	770,499	1,567,473	770,499
		<u>1,567,473</u>	<u>770,499</u>	<u>1,567,473</u>	<u>770,499</u>

15	Trade and other receivables	Group		Company	
		2021	2020	2021	2020
		£	£	£	£
	Trade receivables	4,378	4,261	4,378	4,261
	Amounts owed by group undertakings	-	-	193,779	188,521
	Corporation tax	397,096	551,366	395,663	550,285
	Other receivables	3,290,877	2,292,414	2,571,153	2,292,414
	Prepayments and accrued income	3,029,799	1,229,387	1,937,656	1,020,244
		<u>6,722,150</u>	<u>4,077,428</u>	<u>5,102,629</u>	<u>4,055,725</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Loans and other receivables are measured at amortised cost. The directors consider that the carrying amount of loans and receivables approximates to their fair value. No significant receivable balances are impaired at the reporting end date and provision for expected credit loss is considered unnecessary.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 Current liabilities	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade payables	3,433,937	3,507,247	3,009,429	3,505,802
Other taxation and social security	973,034	873,991	974,386	873,991
Other payables	180,782	1,305	180,782	1,305
Accruals and deferred income	1,555,985	1,423,746	1,524,031	1,422,884
Amounts due to group undertakings	-	-	21,534	10
Finance lease obligations	458,697	376,454	458,697	376,454
Bank loan	480,282	-	-	-
	<u>7,082,717</u>	<u>6,182,743</u>	<u>6,168,859</u>	<u>6,180,446</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17 Non-current liabilities	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due greater than one year:				
Accruals and deferred income	234,000	432,000	234,000	432,000
Finance lease obligations	490,174	13,474	490,174	13,474
Bank loan	21,977,208	-	-	-
	<u>22,701,382</u>	<u>445,474</u>	<u>724,174</u>	<u>445,474</u>

On 16 August 2021 the Group entered into a \$15m 4 year senior debt facility, comprised of a \$5m term loan and up to \$15m revolving facility. The term loan has interest charged at the greater of the prime rate plus 0.75% or 5.0%. The revolving facility has interest charged at the greater of the prime rate plus 0.50% or 4.75%. The facility is due for repayment on 16 August 2023.

On 16 August 2021 the Group entered into a \$25m 5 year junior debt facility. Interest on this loan is charged at the greater of 9.75% or the base rate plus 6.5%. The base rate is calculated as the greater of the Wall Street Journal prime rate or 3-month libor plus 2.5%. Repayments are due in 24 equal monthly installments commencing on 1 October 2024.

Both the senior debt and the junior debt are secured on the assets of the Group.

18 Financial instruments

The group has the following categories of financial instruments at the year end:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial assets				
Trade receivables	4,378	4,261	4,378	4,261
Amounts owed by group undertakings	-	-	193,779	188,521
Cash and cash equivalents	20,726,438	31,186,638	16,907,761	31,172,339
Other receivables	3,290,877	2,292,414	2,571,153	2,292,414
Accrued income	310,803	191,629	184,119	191,629
	<u>24,332,496</u>	<u>33,674,942</u>	<u>19,861,190</u>	<u>33,849,164</u>

GOHENRY LIMITED AND ITS SUBSIDIARIES
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

18 Financial instruments (continued)

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial liabilities				
Trade payables	3,433,937	3,507,247	3,009,429	3,505,802
Other payables	180,782	1,305	180,782	1,305
Amounts owed to group undertakings	-	-	21,534	10
Accruals	1,555,985	1,423,746	1,524,031	1,422,884
Finance lease obligations	948,871	389,928	948,871	389,928
Bank loan	22,691,490	-	-	-
	<u>28,811,065</u>	<u>5,322,226</u>	<u>5,684,647</u>	<u>5,319,929</u>

There are no material differences between the fair value and the carrying value of the financial assets and liabilities. The financial risks are disclosed in the directors' report.

Liquidity and capital risk

This is the risk that the business either has insufficient cash to be able to meet its financial obligations or insufficient capital resources to absorb the expected losses generated by its high growth business plans, and unexpected losses if they were to occur.

Mitigating measures

The Board and Executive team review the business' current and projected cash flow position on a recurring basis. The Board operates a strict policy of prudent capital management as a minimum. The Executive team regularly run plausible scenarios and forecasting to ensure that the group's capital is managed sustainably.

Financial crime risk

This is the risk that the GoHenry product is used to launder the proceeds of crime, finance terrorist activities, commit fraud or evade financial sanctions.

Mitigating measures

GoHenry recognises that inherent financial crime risk continues to evolve and increase. We operate a robust KYC and AML procedure and perform ongoing monitoring of transactions led by a highly skilled and dedicated risk team. Fraud prevention software helps to provide multi-layered checks on email addresses and personal details provided by our customers in the GoHenry signup process.

GoHenry is committed to maintaining a control environment that enables it to respond promptly and effectively to emerging financial crime threats.

Capital Management

The group is not subject to either internally or externally imposed capital requirements. The group's objective when managing capital is to provide sufficient resources to allow the continued investment in the software and to safeguard the group's ability to continue as a going concern.

The company manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio. No changes were made in the objectives, policies and processes during the current or previous year.

Please see notes 23 and 24 for details of the group's capital.

Credit risk

The Group has minimal exposure to credit risk due to the fact that the business does not extend credit terms to its customers.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

19 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Operating leases which expire:		
Within one year	116,577	103,733
Between two and five years	-	-
	<u>116,577</u>	<u>103,733</u>

The above is made up of two operating leases which are exempt from IFRS 16 as they are leases of less than 12 months.

20 Lease obligations

	2021 £	2020 £
Current	458,697	376,454
Non-current	490,174	13,474
	<u>948,871</u>	<u>389,928</u>

The group's lease obligation is in respect of office premises, excluding short-term leases and leases of low value assets. Where leases contain renewal options, these will be included in the measurement of lease obligations when it is reasonably certain that they will be exercised.

The contractual undiscounted cash flows for lease obligations as at 31 December 2021:

	2021 £	2020 £
Within one year	482,004	389,750
Between two and five years	507,658	14,000
	<u>989,662</u>	<u>403,750</u>

Total cash outflow for all leases during the year was £465,225 (2020; £215,498), including £448,523 (2020; £195,534) of principal payments of lease obligations.

Amounts recognised in the statement of comprehensive income:

	2021	2020
Finance costs - interest expense on lease obligations	16,702	19,964
Expenses relating to short-term leases	46,195	151,898
Depreciation of right-of-use assets	<u>439,344</u>	<u>205,353</u>

21 Retirement benefit schemes

The group operates a defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

The charge to the income statement in respect of defined contribution pension schemes was £155,538 (2020 - £69,158) of which £35,190 (2020 - £21,865) was unpaid at the statement of financial position date.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

22 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	5,659,903	4,673,333	0.20	0.20
Granted	580,500	1,076,570	0.20	0.20
Exercised	(8,800)	(3,000)	0.20	0.20
Expired	(71,000)	(87,000)	0.20	0.20
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 31 December	6,160,603	5,659,903	0.20	0.20
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at 31 December	1,174,134	1,984,833	0.20	0.20
	<hr/>	<hr/>	<hr/>	<hr/>

The weighted average share price at the date of exercise for share options exercised during the year was £0.20 (2020 - £0.20).

The options outstanding at 31 December 2021 had an exercise price of £0.20, and a remaining contractual life of between 5 and 10 years.

Liabilities and expenses

The vesting requirements of the options vary, however other than 864,334 of the options granted in May 2014 which vested immediately, the remaining options vest between one and ten years as long as the option holder remains an employee of the group. In addition to this, 3,000,000 of the options granted in 2019 are also contingent on an exit event.

The weighted average fair value of the options granted in the previous year was determined using the Black-Scholes option pricing model. The inputs used in the model were as follows:

	2021	2020
Weighted average share price	£5.69	£3.00
Weighted average exercise Price	£0.20	£0.20
Risk-free rate	0.97%	10%
Time to maturity	10 years	36 months
Expected volatility	61%	90%

The inputs used in the model were applied by the directors with reference to their specific knowledge of the group.

During the year, the group recognised total share-based payment expenses of £583,844 (2020: £351,306).

As at the year end, a balance of £1,012,209 (2020: £413,302) was held within the Share-based payment reserve in equity.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

23 Share capital	2021	2020
	£	£
Allotted, issued and fully paid		
18,966,713 (2020: 18,966,713) Ordinary Shares of £0.0025p each	47,417	47,417
1,764,285 (2020: 1,759,485) Ordinary A Shares of £0.0025p each	4,411	4,399
5,914,906 (2020: 5,914,906) Series A Shares of £0.0025p each	14,787	14,787
1,109,785 (2020: 1,109,785) Series A1 Shares of 0.0025p each	2,774	2,774
	<u>69,389</u>	<u>69,377</u>

On 28 June 2021, 4,800 Ordinary A shares were issued for a consideration totalling £960.

Ordinary and Ordinary A shares carry the same rights to full voting, dividends and capital distributions (including on winding up).

Series A and Series 1 A shares carry the same rights to full voting and capital distributions (including on winding up), however are subject to preferential dividends upon compliance with certain sections of the company's Articles of Association.

24 Reserves

Share premium (Group and Company)

The share premium reserve contains the premium in excess of par value arising on the issue of share capital, net of issue expenses.

Share-based payment reserve (Group and Company)

The share-based payment reserve captures the fair value of share options measured at the grant date of options, comprising the cumulative charge to the income statement for the fair value of the options less amounts released to retained earnings upon the exercise of options.

Other reserve (Group)

Other reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.

Retained earnings - Group

The retained earnings reserve represents both the company and the subsidiaries' relevant proportion of cumulative profits and losses, net of the parent company's dividends paid and other adjustments where applicable.

Retained earnings - Company

The retained earnings reserve represents cumulative profits and losses, net of dividends paid and other adjustments where applicable.

**GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

25 Controlling party

The company is owned by a number of private shareholders and companies, none of whom own more than 20% of the issued share capital of the company.

Accordingly there is no parent entity nor ultimate controlling party.

26 Related party transactions

During the year, gohenry Limited paid management fees of £nil (2020; £43,675) to gohenry Inc and management fees of £211,299 (2020; £129,523) to gohenry Financial Technology Inc.

During the year, gohenry Limited received management fee income of £3,428,299 (2020; £nil) from gohenry Inc.

At the year end, amounts owed to gohenry Limited from gohenry Inc totalled £73,873 (2020; £12,790), amounts owed from gohenry Financial Technology Inc totalled £nil (2020; £176,796) and amounts owed from gohenry Family Finance Limited totalled £119,907 (2020; £nil).

At the year end, gohenry Limited owed £nil (2020; £10) to its subsidiary gohenry Family Finance Limited and owed £21,534 (2020; £nil) to its subsidiary gohenry Financial Technology Inc.

All transactions were arms length transactions and undertaken in the normal course of business.

27 Events after the reporting period

On 29 June 2022 the business acquired 100% of the issued share capital of BFF Financial Services SAS, a financial services business incorporated in France, which trades in Europe using the trading name Pixpay.

Consideration for the issued share capital of BFF Financial Services is in the form of cash totalling £3,763,874, and a share for share exchange with GoHenry Limited issuing 4,074,530 Ordinary Shares and 178,261 Series A Preferred Shares to the shareholders of BFF Financial Services SAS.

On 6 September 2022 GoHenry raised \$55m of funding through a Series B fundraise led by a leading European payment processor. 5,549,948 B Preference Shares in GoHenry Limited of £0.0025 each were issued for a total subscription price of \$55m.

Those subscribing to the Series B Preference Shares also received warrants granted for an 18 month period after Series B completion, for an additional 50% subscription amount at a price indexed on the Series B price.

As part of the Series B fundraise, on 4 August 2022 GoHenry Limited entered into a commercial agreement with the European payments processor who will provide payment, operational and regulated services to GoHenry.

The rights of the B and C Shares were updated in the Articles adopted on 27 June 2022, to introduce a cap such that between them those classes are entitled to no more than 10% of the economic value of the Company, where previously there was no cap. Furthermore, the 10% is subject to dilution of any further share issuance, whereas previously this was not the case.

On 21 January 2022 GoHenry Invest LLC was incorporated in the United States of America. This entity is 100% owned by GoHenry Inc and is not currently trading.

On 11 February 2022 GoHenry Network Finance LLC was incorporated in the United States of America. This entity is 100% owned by GoHenry Inc and is not currently trading.

No other significant post balance sheet events have occurred.

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28 Transition Adjustments

Reconciliation of equity

Group	Notes	2019	2020
		£	£
Equity as previously reported		4,279,093	31,620,663
Transition adjustments			
Capitalisation of leases under IFRS 2019	28a	(571)	(571)
Capitalisation of leases under IFRS 2020	28a	-	(9,819)
Equity as restated		<u>4,278,522</u>	<u>31,610,273</u>

Reconciliation of loss for the financial year

		2020
		£
Loss as previously reported		(1,510,328)
Transition adjustments		
Capitalisation of leases under IFRS 2020	28b	(9,819)
Loss as restated		<u>(1,520,147)</u>

Company	Notes	2019	2020
		£	£
Equity as previously reported		4,253,756	31,586,144
Transition adjustments			
Capitalisation of leases under IFRS 2019	28b	(571)	(571)
Capitalisation of leases under IFRS 2020	28b	-	(9,819)
Equity as restated		<u>4,253,185</u>	<u>31,575,754</u>

Reconciliation of loss for the financial year

		2020
		£
Loss as previously reported		(1,519,205)
Transition adjustments		
Capitalisation of leases under IFRS 2020	28b	(9,819)
Loss as restated		<u>(1,529,024)</u>

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28 Transition Adjustments

Consolidated statement of financial position

Notes	2019			2020		
	Previously reported	Effect of transition	As restated	Previously reported	Effect of transition	As restated
	£	£	£	£	£	£
Non-current assets						
Intangible assets	1,665,143	-	1,665,143	1,687,963	-	1,687,963
Property, plant and equipment	89,097	34,856	123,953	136,424	379,538	515,962
	<u>1,754,240</u>	<u>34,856</u>	<u>1,789,096</u>	<u>1,824,387</u>	<u>379,538</u>	<u>2,203,925</u>
Current Assets						
Inventories	327,099	-	327,099	770,499	-	770,499
Trade and other receivables	2,691,216	-	2,691,216	4,077,428	-	4,077,428
Cash and cash equivalents	2,833,015	-	2,833,015	31,186,638	-	31,186,638
	<u>5,851,330</u>	<u>-</u>	<u>5,851,330</u>	<u>36,034,565</u>	<u>-</u>	<u>36,034,565</u>
Current Liabilities	<u>28b</u>	<u>(3,326,477)</u>	<u>(10,792)</u>	<u>(5,806,289)</u>	<u>(376,454)</u>	<u>(6,182,743)</u>
Net Current Assets						
	2,524,853	(10,792)	2,514,061	30,228,276	(376,454)	29,851,822
Total Assets less Current Liabilities						
	<u>4,279,093</u>	<u>24,064</u>	<u>4,303,157</u>	<u>32,052,663</u>	<u>3,084</u>	<u>32,055,747</u>
Non current liabilities	<u>28b</u>	<u>-</u>	<u>(24,635)</u>	<u>(432,000)</u>	<u>(13,474)</u>	<u>(445,474)</u>
Net assets						
	<u>4,279,093</u>	<u>(571)</u>	<u>4,278,522</u>	<u>31,620,663</u>	<u>(10,390)</u>	<u>31,610,273</u>
Equity						
Called up share capital	51,808	-	51,808	69,377	-	69,377
Share premium account	22,314,933	-	22,314,933	50,797,651	-	50,797,651
Share based payment reserve	192,546	-	192,546	413,302	-	413,302
Retained Earnings	<u>28b</u>	<u>(18,281,181)</u>	<u>(571)</u>	<u>(19,660,959)</u>	<u>(10,390)</u>	<u>(19,671,349)</u>
Other reserve	987	-	987	1,292	-	1,292
Total Equity						
	<u>4,279,093</u>	<u>(571)</u>	<u>4,278,522</u>	<u>31,620,663</u>	<u>(10,390)</u>	<u>31,610,273</u>

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28 Transition Adjustments

Company statement of financial position

	Notes	2019			2020		
		Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
Non-current assets							
Intangible assets		1,665,143	-	1,665,143	1,687,963	-	1,687,963
Property, plant and equipment	28b	87,868	34,856	122,724	135,598	379,538	515,136
Investment		2	-	2	12	-	12
		<u>1,753,013</u>	<u>34,856</u>	<u>1,787,869</u>	<u>1,823,573</u>	<u>379,538</u>	<u>2,203,111</u>
Current Assets							
Inventories		327,099	-	327,099	770,499	-	770,499
Trade and other receivables		3,033,869	-	3,033,869	4,055,725	-	4,055,725
Cash and cash equivalents		<u>2,828,341</u>	<u>-</u>	<u>2,828,341</u>	<u>31,172,339</u>	<u>-</u>	<u>31,172,339</u>
		6,189,309	-	6,189,309	35,998,563	-	35,998,563
Current Liabilities	28b	<u>(3,688,566)</u>	<u>(10,792)</u>	<u>(3,699,358)</u>	<u>(5,803,992)</u>	<u>(376,454)</u>	<u>(6,180,446)</u>
Net Current Assets		2,500,743	(10,792)	2,489,951	30,194,571	(376,454)	29,818,117
Total Assets less Current Liabilities		<u>4,253,756</u>	<u>24,064</u>	<u>4,277,820</u>	<u>32,018,144</u>	<u>3,084</u>	<u>32,021,228</u>
Non current liabilities	28b	-	(24,635)	(24,635)	(432,000)	(13,474)	(445,474)
Net assets		<u>4,253,756</u>	<u>(571)</u>	<u>4,253,185</u>	<u>31,586,144</u>	<u>(10,390)</u>	<u>31,575,754</u>
Equity							
Called up share capital		51,808	-	51,808	69,377	-	69,377
Share premium account		22,314,933	-	22,314,933	50,797,651	-	50,797,651
Share based payment reserve		192,546	-	192,546	413,302	-	413,302
Retained Earnings	28b	<u>(18,305,531)</u>	<u>(571)</u>	<u>(18,306,102)</u>	<u>(19,694,186)</u>	<u>(10,390)</u>	<u>(19,704,576)</u>
Total Equity		<u>4,253,756</u>	<u>(571)</u>	<u>4,253,185</u>	<u>31,586,144</u>	<u>(10,390)</u>	<u>31,575,754</u>

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28 Transition Adjustments
Group statement of cashflows

		Previously reported	2019 Effect of transition	As restated	Previously reported	2020 Effect of transition	As restated
	Notes	£	£	£	£	£	£
Cash flows from operating activities							
Cash generated by operations	28a	(4,612,660)	12,000	(4,600,660)	1,120,153	215,498	1,335,651
Interest income		6,581	-	6,581	2,465	-	2,465
Income taxes received		221,374	-	221,374	363,714	-	363,714
Net cash outflow from operating activities		(4,384,705)	12,000	(4,372,705)	1,486,332	215,498	1,701,830
Investing activities							
Purchase of property, plant and equipment	28b	(35,101)	-	(35,101)	(107,658)	-	(657,693)
Purchase of intangible assets		(894,491)	-	(894,491)	(634,241)	-	(634,241)
Net cash used in investing activities		(929,592)	-	(929,592)	(741,899)	-	(1,291,934)
Financing activities							
Proceeds from issue of shares		1,833,196	-	1,833,196	28,500,287	-	28,500,287
Capital element of lease payment	28b	-	(10,436)	(10,436)	-	(195,533)	(195,533)
Interest paid on finance leases	28b	-	(1,564)	(1,564)	-	(19,964)	(19,964)
Net cash generated from financing activities	28b	1,833,196	(12,000)	1,821,196	28,500,287	(215,498)	28,284,789
Net increase/(decrease) in cash and cash equivalents		(3,481,101)	-	(3,481,101)	29,244,720	-	28,694,685
Cash and cash equivalents at the beginning of the financial year		6,314,116	-	6,314,116	2,833,015	-	2,833,015
Difference on foreign exchange		-	-	-	(891,097)	-	(891,097)
Cash and cash equivalents at the end of the financial year		2,833,015	-	2,833,015	31,186,638	-	30,636,603
Cash at bank balances		2,833,015	-	2,833,015	31,186,638	-	31,186,638
Cash and cash equivalents		2,833,015	-	2,833,015	31,186,638	-	31,186,638

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28a Transition Adjustments

**Reconciliation of operating loss to
cash generated from operating activities**

Reconciliation of operating loss to cash generated from operating activities				2019			2020		
Notes	Previously reported	Effect of transition	As restated	Previously reported	Effect of transition	As restated			
	£	£	£	£	£	£			
Loss for the financial year after tax	28b	(5,456,104)	(571)	(5,456,675)	(1,510,328)	(9,819)	(1,520,147)		
Adjustments for:									
Taxation charged		(367,108)	-	(367,108)	(550,346)	-	(550,346)		
Interest income		(6,581)	-	(6,581)	(2,465)	-	(2,465)		
Finance costs	28b	-	1,564	1,564	891,097	19,964	911,061		
Operating loss		(5,829,793)	993	(5,828,800)	(1,172,042)	10,145	(1,161,897)		
Adjustments for:									
Depreciation of property, plant and equipment	28b	46,719	11,007	57,726	60,331	205,353	265,684		
Amortisation of intangible assets		816,169	-	816,169	611,421	-	611,421		
Exchange difference on consolidation		3,001	-	3,001	305	-	305		
Share based payment costs		74,299	-	74,299	351,306	-	351,306		
Operating cash flow before movement in working capital		(4,889,605)	12,000	(4,877,605)	(148,679)	215,498	66,819		
Movements in working capital									
(Increase)/decrease in inventories		176,258	-	176,258	(443,400)	-	(443,400)		
Increase in trade and other receivables		(808,260)	-	(808,260)	(1,192,728)	-	(1,192,728)		
Increase in trade and other payables		908,947	-	908,947	2,904,960	-	2,904,960		
Cash generated by operating activities		(4,612,660)	12,000	(4,600,660)	1,120,153	215,498	1,335,651		

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28b Notes to reconciliations

On transition from FRS 102 to IFRS, leases historically accounted for as operating leases, with rent expensed to the profit and loss, have been capitalised under IFRS 16. This came into effect from 1 January 2019, therefore leases in place as at 31 December 2020 were capitalised under this standard. This resulted in a non-material change to the brought forward net book value of property plant and machinery, as a right of use asset is recognised, and a corresponding financial lease liability, split into a long term and short term portion.

Instead of recognising an operating expense for its operating lease payments in the statement of comprehensive income, the company recognises interest on its lease obligations and depreciation on its right-of-use assets. The impact of the leases in existence at the time of transition at 01 January 2019 is as follows:

	£
Decrease in lease expenses	(227,498)
Increase in finance costs	21,528
Increase in depreciation	216,360
Increase in loss in respect of IFRS 16 adoption	<u><u>10,390</u></u>