

Registered number: 07233697

ColInvestor Limited

Financial statements

Information for filing with the registrar

For the year ended 31 December 2021

Balance sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	3,861	1,876
		<u>3,861</u>	<u>1,876</u>
Current assets			
Debtors: amounts falling due within one year	6	257,847	241,699
Cash at bank and in hand		955,237	1,179,483
		<u>1,213,084</u>	<u>1,421,182</u>
Creditors: amounts falling due within one year	7	(115,992)	(95,667)
Net current assets		<u>1,097,092</u>	<u>1,325,515</u>
Total assets less current liabilities		<u>1,100,953</u>	<u>1,327,391</u>
Creditors: amounts falling due after more than one year	8	-	(885,004)
Net assets		<u><u>1,100,953</u></u>	<u><u>442,387</u></u>
Capital and reserves			
Called up share capital	9	1,128	497
Share premium account		9,389,332	6,520,496
Share option reserve		627	-
Profit and loss account		(8,290,134)	(6,078,606)
		<u><u>1,100,953</u></u>	<u><u>442,387</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Just Arne Storvik
Director
Date: 19 April 2022

The notes on pages 2 to 9 form part of these financial statements.

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

1. General information

The Company is registered in the UK with the registration number 07233697. It is a private company limited by shares. The registered office is 37 St Margaret's Street, Canterbury, Kent, United Kingdom, CT1 2TU. The principal activity of the company is that of the provision of digital solutions in the alternative asset sector. The financial statements are presented in pound Sterling, and rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the fourth quarter of 2021, the Company received subscriptions for new share capital of £1.65million, at £0.50 per share. £1million of new share capital was accepted immediately, and £0.65million will be accepted once the FCA has approved the Change of Control in respect of shareholders crossing the 10% and 20% thresholds. Based on this price, the £1.367million Convertible Loan Note was converted to equity.

The directors consider the business to be a going concern and have made their assessment based on cashflow and other forecasts. The directors consider the company to have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the balance sheet, and accordingly they adopt the going concern basis in preparing the financial statements.

When forming their conclusion in respect of going concern the directors have given consideration to the ongoing impact of the COVID-19 virus, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The business has experienced no business continuity issues, and have high confidence this will continue to be the case.

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

2. Accounting policies (continued)

2.3 Revenue

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

Rendering of services

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

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

2.4 Government grants

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

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

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Convertible loan notes

The convertible loan notes issued in the prior year could be settled in a variable number of the company's own equity instruments and were recognised as a complex financial liability in accordance with FRS 102 Section 12. The proceeds received on issue were initially measured at transaction price and subsequently measured at fair value through profit or loss, in accordance with the requirements of FRS 102 Section 12, at the end of each reporting period.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

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

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

2.13 Taxation

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

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

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

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Convertible loan notes

As required under FRS 102 the convertible loan notes were measured at fair value. Due to the lack of observable market prices for similar instruments the valuation is subject to uncertainty. The convertible loan notes were convertible upon Maturity (after 3 years from inception), or as a result of further equity financing (where the funds raised are 25% or more than the principal sum of the convertible loan, and where 51% of the loan note holders vote for conversion). The directors assessed the probability of the different outcomes and used an expected value model with a discount rate of 50%, being the estimated cost of capital, to arrive at the fair value of the instruments at the reporting date. During the year a conversion event triggered the conversion of the loan notes to equity. The fair value movement during the year totalled a loss of £971,263 (2020: gain of £482,296) and the year end value is £Nil (2020: financial liability £885,004).

Share-based payments

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The estimation of fair value requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility. The share based payment costs for the year was £627 (2020: £Nil).

4. Employees

The average monthly number of employees, including directors, during the year was 16.

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

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2021	4,441	24,218	28,659
Additions	-	3,305	3,305
At 31 December 2021	<u>4,441</u>	<u>27,523</u>	<u>31,964</u>
Depreciation			
At 1 January 2021	3,142	23,641	26,783
Charge for the year on owned assets	689	631	1,320
At 31 December 2021	<u>3,831</u>	<u>24,272</u>	<u>28,103</u>
Net book value			
At 31 December 2021	<u>610</u>	<u>3,251</u>	<u>3,861</u>
At 31 December 2020	<u>1,299</u>	<u>577</u>	<u>1,876</u>

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

6. Debtors

	2021 £	2020 £
Trade debtors	51,683	4,740
Other debtors	10,867	37,457
Prepayments and accrued income	15,248	21,721
Tax recoverable	180,049	177,781
	<u>257,847</u>	<u>241,699</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	14,090	31,705
Other taxation and social security	25,881	26,623
Other creditors	144	1,447
Accruals and deferred income	75,877	35,892
	<u>115,992</u>	<u>95,667</u>

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Convertible loan notes	-	885,004
	<u>-</u>	<u>885,004</u>

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,719,756 (2020 - 1,407,720) Ordinary shares shares of £0.0001- each	172	141
8,956,873 (2020 - 3,556,374) B Ordinary shares shares of £0.0001- each	896	356
600,000 (2020 - 0) C Ordinary shares shares of £0.0001- each	60	-
	<u>1,128</u>	<u>497</u>

During the year £31 of Ordinary £0.0001 shares, £540 of B Ordinary £0.0001 shares and £60 of C Ordinary £0.0001 shares were issued in the period with a total increase in share premium of £2,868,836.

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

9. Share capital (continued)

All classes of shares rank pari passu except for C Ordinary shares which have no voting or dividend rights.

10. Share based payments

Certain employees of the company were granted options over the shares of ColInvestor Limited, at a fixed exercise price. Exercise dates vary per agreement with expiry up to ten years after the vesting date.

The company had in issue at the start of the year Nil (2020: 800) qualifying options at an exercise price of £0.552 per share. During the year 647,000 options were granted (2020: Nil) over C Ordinary Shares (with a hurdle of £0.228 per share) at an exercise price of £0.022 per share. During the year no options were vested (2020: 800).

The company recognises an equity settled share-based payment expense based on a reasonable allocation of the total charge for the company. Where the vesting date has been reached the options are valued on current open market conditions against the option price with the charge pro-rated for the number of employees participating across the expected year of exercise. For the year under review no options were exercised and a charge of £627 was assessed on the options.

11. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	-	5,615
	<u>-</u>	<u>5,615</u>

12. Related party transactions

During the year £Nil (2020: £21,896) was paid to a former director as compensation for loss of office, all other directors remuneration was at market rate.

During the year convertible loan notes were issued totalling £Nil (2020: £325,000) to the directors of the company.

13. Controlling party

There is no overall controlling party.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 19 April 2022 by Anne Dwyer BSc (Hons) FCA (Senior statutory auditor) on behalf of Kreston Reeves LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.