

Registered number  
08460508

**Kuflink Ltd**

**Annual Report and Financial Statements**

**For the year ended 30 June 2018**

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**Kuflink Ltd**  
**Report and accounts**  
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**Kuflink Ltd**  
**Company Information**

**Directors**

Narinder KHATTOARE  
Rawinder Singh BINNING

**Auditor**

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY

**Bankers**

Metro Bank  
1 Southampton Row  
London  
WC1B 5HA

**Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

**Registered office**

21 West Street  
Gravesend  
Kent  
DA11 0BF

**Registered number**

08460508

**Kuflink Ltd****Registered number:**

08460508

**Directors' Report**

The directors present their report and the financial statements of Kuflink Ltd ('the company') for the year ended 30 June 2018.

**Principal activities**

The company's principal activity during the year continued to be that of operating an electronic peer to peer (P2P) platform as an FCA authorised and regulated firm.

As an operator of a P2P platform, the company acts as a financial intermediary; matching retail investors with borrowers in the property development sector that are seeking capital in the form of short term bridging finance facilities. The company does not act as principal for any of the loans matched via the platform and does not invest directly in any of the loans.

The origination and underwriting activities in relation to each loan are performed on behalf of the company by Kuflink Bridging Limited (an affiliated undertaking of the company). This entity is responsible for sourcing the loans and novating the underlying rights to investors on the P2P platform whilst retaining a minority interest in each loan.

The company receives revenue in the form of a fixed fee from Kuflink Bridging Limited as compensation for the costs incurred by the company in relation to the on-going operating and administration of the P2P platform.

**Future developments**

The company will continue to grow rapidly by expanding its product range by innovation. The directors do not envisage any change in the company's principal activity for the foreseeable future.

**Results and Dividends**

The results for the year are set out in Statement of Comprehensive Income on page 10. No ordinary dividend was paid. The directors do not recommend the payment of a final dividend.

**Directors**

The following persons served as directors during the year and up to the date of this report:

Narinder KHATTOARE	(Appointed 23 November 2017)
Rawinder Singh BINNING	(Appointed 7 December 2017)
Sukhdev Singh DHILLON	(Appointed 23 November 2017 and Resigned on 16 October 2018)
John BURDEN	(Resigned 3 December 2018)
Tarlochan Singh GARCHA	(Resigned 23 November 2017)
Alfred Barrington MEEKS	(Resigned 27 October 2017)
Steven Frederick MOODY	(Resigned 23 November 2017)
Rachel SOUTHCOTT	(Appointed 7 December 2017 and Resigned 1 June 2018)
Kevin Gordon BASSON	(Appointed 23 November 2017 and Resigned 23 November 2017)

**Kuflink Ltd****Registered number:****08460508****Directors' Report****Directors' responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Risk management**

As an operator of a P2P platform, the company acts as agent in matching investors and borrowers. As it does not act as principal, the company does not hold any financial assets or liabilities associated with the underlying bridging facilities and, therefore, it does not have any direct exposure to the credit risk arising from borrower default.

Whilst the company is responsible for the administration of the P2P platform, the risk of borrower default is borne by Kuflink Bridging Limited (the company's affiliate).

Given that the company's revenue is entirely derived from Kuflink Bridging Limited, the company's principal risks relate to the credit default and liquidity risks associated with receipt of income on a timely basis from this counterparty. These risks are managed through regular dialogue with this affiliated undertaking to ensure that the company maintains sufficient working capital to meet its liabilities as they fall due.

From an operational perspective, the key risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the company being subject to a fine or a ban on trading activities. This is managed through regular review of the company's compliance framework by Senior Management.

**Kuflink Ltd**

**Registered number:**

**08460508**

**Directors' Report**

**Going concern**

The company has been loss making in the current year. However, the directors note that this loss is attributable to the discretionary spend inherent in supporting the business through a period of intense growth. Therefore, the directors do not expect the company to be loss making over the medium term. Despite the loss generated in the current year, the company has net current assets and sufficient liquid capital to meet its existing financial commitments.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has 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 financial statements.

**Disclosure of information to the auditor**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 March 2019 and signed on its behalf by:



**Narinder Khattoare**  
Director

## Kuflink Ltd Strategic Report

Kuflink Ltd is pleased to present its strategic report for the year ended 30<sup>th</sup> June 2018.

### Principle Activity of the Business

As an operator of a P2P platform, the company acts as a financial intermediary; matching retail investors with borrowers in the property development sector that are seeking capital in the form of short term bridging finance facilities. The company does not act as principal for any of the loans matched via the platform and does not invest directly in any of the loans. The origination and underwriting activities in relation to each loan are performed on behalf of the company by Kuflink Bridging Limited (an affiliated undertaking of the company). This entity is responsible for sourcing the loans and novating the underlying rights to investors on the P2P platform whilst retaining a minority interest in each loan.

### Financial Results and Statement of Financial Performance

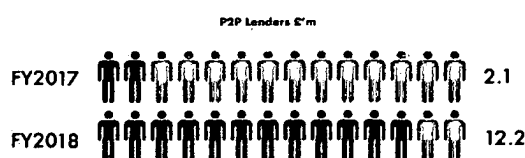
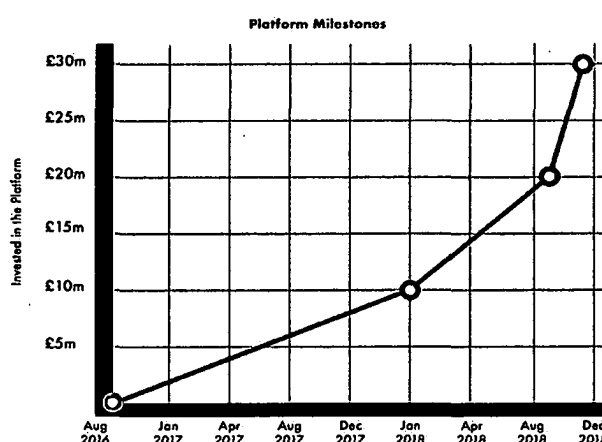
The last 12 months has been a time of enormous growth for the company with the number of P2P lenders increasing by 600% compared with the previous year. This clearly demonstrates the product offering has a huge appetite with the general public as well as corporate investors. The company's losses decreased substantially from the previous year due to the increase in fees charged to its sister company, Kuflink Bridging Limited.

### Loan Book and Milestones

Kuflink Ltd's, increased expertise and refined products have helped achieve substantial growth across the business. We have achieved three key milestones in relation to total platform investments for 2018; £10M, £20M and then £30M in January, September and November 2018 respectively.

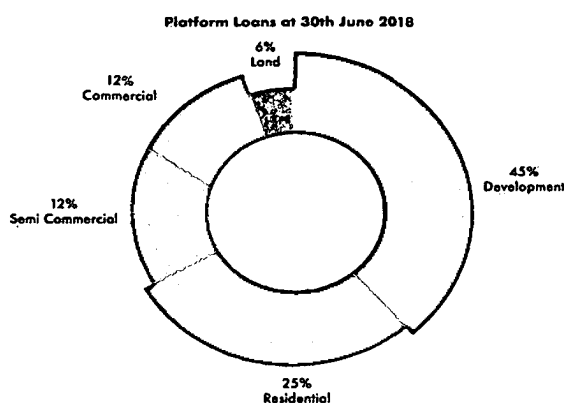
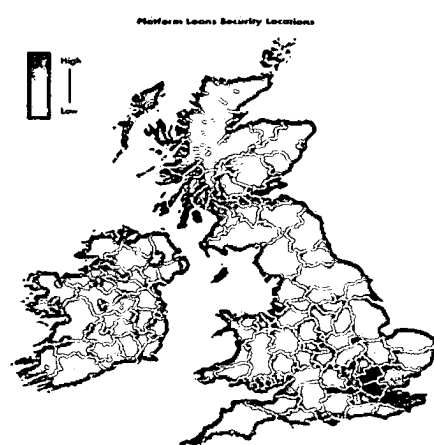
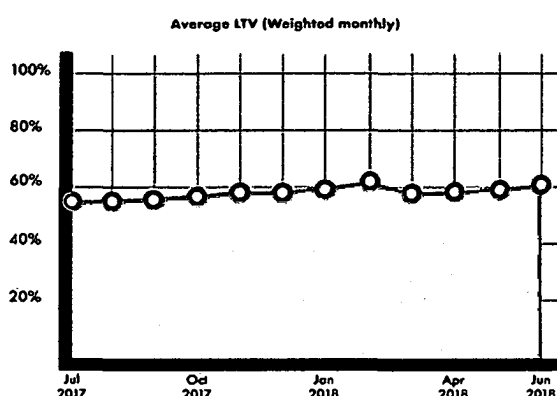
### Continued Responsible Lending

Risk mitigation continues to be a major driving force for Kuflink Ltd. It has its own independent



credit committee, which must certify that they are happy with a deal before it is offered to our investor community – this ensures only the strongest opportunities make it onto the platform. This security is reflected in the fact that Kuflink Ltd has sustained zero investor losses to date, a statistic that remains key to our business ethos. Kuflink Ltd's sister company, Kuflink Bridging Ltd, continues to co-invest in each deal as a tangible demonstration of its commitment to quality loans and this, alongside our UK property security, provides our investors with a high level of confidence in the security of our deals.

Our credit committee considers loans to a maximum 75% of the security value, however we most often lend at a far lower LTV; Kuflink's average for this year is 54%. This lower percentage provides more attractive, lower-risk opportunities for P2P lenders.



## Investments and Development

Kuflink Ltd has invested heavily into improving our proprietary technology and IT infrastructure this year and, as aforementioned, developing our risk management and security procedures whilst growing our in-house talent. We continue to invest to bring our innovative ideas to the market and enhance our current product range.

## Future Markets and Products

Not only are Kuflink Ltd refining and adding to our current product line, we are further expanding into new markets – for example; we are now able to launch a secondary market, thus allowing lenders to buy and sell investments to one another via the platform. This development arose from feedback received from our investors and illustrates our commitment to adaptability, flexibility and responsiveness. The Kuflink App is also in development and expected to launch in May 2019. This app will provide our community of investors with a user-friendly, real-time functionality allowing them to make investments using their mobile phone.

## Technological Innovation and Adherence to Regulation

Kuflink have utilised a carefully considered mix of in-house and outsourced IT resources, allowing us to build a flexible and proprietary platform that makes the best use of available technology. We have an extensive infrastructure already in place and are well prepared to continue growing rapidly. Kuflink forecasts our loan book to reach close to half a billion pounds in the next five years, and our agile technology is streamlined in such a way that we will be able to satisfy cross-border regulations and statutory requirements, and subsequently realise our global ambitions.

Our approach to technological innovation favours in-house controls and design, although as of November 2018, we are in partnership with Onfido to improve the security and functionality of our online KYC and fraud checks.



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#### **Appointment of EY as new Auditor**

Kuflink are proud to announce the engagement of EY as their new auditor. We have long since viewed the undertaking of a 'Big 4' firm as an essential part of our long-term plans, and are pleased to have brought this forward, ensuring that risk mitigation and compliance remain central as we expand. Kuflink appreciates and responds fully to the risk of financial loss or reputational damage arising from inadequate internal processes.

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#### **Workforce Development and Recognition**

Kuflink has reviewed the Embankment Project for Inclusive Capitalism (EPIC) as part of its wider governance efforts and has built the recommendations into its strategic plans. The four main areas we have chosen to focus on are Talent, Innovation and Consumer Trends, Society and Environment, and Corporate Governance.

All Kuflink Ltd employees have been issued growth shares in the parent company Kuflink Group Plc as recognition of the role they play in the future of the business, and to enable them to share the benefits of our growth and success.

We have always recognised that our staff are the key to achieving sustainable and inclusive growth, and always look to fill positions through internal promotion where possible. In addition to this, we have deployed several company-wide initiatives aimed at retaining talent, from offering external training opportunities to promoting education with a view to internal progression.

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#### **London Office**

Kuflink have this year opened a second office in Old Street, London, positioning ourselves at the very heart of the city's thriving tech scene. This modern office space gives our team instant access to industry peers, and creates an inspirational environment for Kuflink to generate new ideas and retain a strong presence amongst key innovators.

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#### **Awards and Recognition**

The two esteemed industry awards won by Kuflink this year are testament to our successes within the property and finance markets. Kuflink won 'Best Alternative Business Funding Provider' at the Business Moneyfacts Awards, and 'Crowdfunding Platform of the Year' at the Property Wire Awards.

Further to this, Kuflink is now ISO 27001 certified, reflecting the diligence with which we handle our clients' information across the group.

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#### **Social Contributions**

The Kuflink Group is committed to making a positive difference within our community, and has made significant financial contributions to a number of local causes in partnership with The Kuflink Foundation. The Foundation's work with charities including The Gr@nd, the Police Community, The Martin Roberts Foundation and Gifted Young Gravesham focusses largely on improving mental health, education and community provisions for young people across Kent. Keen to promote sport and fitness, The Kuflink Foundation are stadium sponsors of Ebbsfleet United FC, as well as supporting Kent Schools Rugby, numerous local football teams and Scout groups.

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#### **Potential Market Impacts**

We may be more than two years on from the referendum, yet it is clear the semantics of leaving the EU are still up for debate. Kuflink pays close attention to the Brexit narrative as it develops and acknowledges that the housing market is likely to be affected by the resulting economic uncertainty, as well as the fact that borrowers and investors alike may exercise more caution during this time. However, our research points clearly towards a promising future for the UK property market and we note that, in many regions, house prices continue to rise substantially. To this end, we continue to invest heavily in new opportunities within both the bridging finance and P2P lending markets, as we assess that the fundamentals remain strong.

**Kuflink Ltd**  
**Independent auditor's report**  
**to the members of Kuflink Ltd**

**Opinion**

We have audited the financial statements of Kuflink Ltd ("the Company") for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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 below. We are independent of the Company in accordance with the ethical requirements in the UK that are relevant to our audit of the financial statements, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Kuflink Ltd**  
**Independent auditor's report**  
**to the members of Kuflink Ltd**

**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 Company and its environment obtained in the course of the audit, we have not identified any 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of directors' responsibilities set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

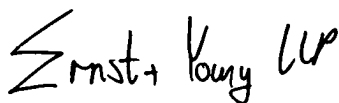
**Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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.



Neil Parker (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
Date: 21 March 2019

**Kuflink Ltd**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2018**

	Notes	Year ended 30 June 2018 £	15 months ended 30 June 2017 £ (Restated)
<b>Turnover</b>	2	1,020,000	66,511
Cost of sales		(494,069)	(271,139)
<b>Gross profit/(loss)</b>		<u>525,931</u>	<u>(204,628)</u>
Administrative expenses		(863,793)	(821,050)
<b>Operating loss</b>	3	<u>(337,862)</u>	<u>(1,025,678)</u>
Interest receivable		1,012	120
<b>Loss on ordinary activities before taxation</b>		<u>(336,850)</u>	<u>(1,025,558)</u>
Tax credit on loss on ordinary activities	6	93,545	-
<b>Loss for the financial year</b>		<u>(243,305)</u>	<u>(1,025,558)</u>

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

The notes to the accounts form an integral part of the financial statements.

**Kuflink Ltd**  
**Statement of Financial Position**  
**as at 30 June 2018**

Registered number  
08460508

	Notes	2018 £	2017 £ (Restated)
<b>Fixed assets</b>			
Intangible assets	7	1,641,638	705,395
Tangible assets	8	<u>119,150</u>	<u>147,538</u>
		1,760,788	852,933
<b>Current assets</b>			
Debtors	9	148,324	155,124
Cash at bank and in hand		<u>153,803</u>	<u>174,367</u>
		302,127	329,491
<b>Creditors: amounts falling due within one year</b>	10	(106,678)	(2,082,882)
<b>Net current assets/(liabilities)</b>		195,449	(1,753,391)
<b>Net assets/(liabilities)</b>		<u>1,956,237</u>	<u>(900,458)</u>
<b>Capital and reserves</b>			
Called up share capital	11	3,225,100	125,100
Profit and loss account	12	(1,268,863)	(1,025,558)
<b>Total shareholder's funds</b>		<u>1,956,237</u>	<u>(900,458)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 March 2019.

Rawinder Singh BINNING  
Director



The notes to the accounts form an integral part of the financial statements.

**Kuflink Ltd**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2018**

	Share capital £	Profit and loss account £ (Restated)	Total £
<b>At 1 April 2016</b>	100	-	100
Total comprehensive loss for the period	-	(1,025,558)	(1,025,558)
Shares issued	125,000	-	125,000
<b>At 30 June 2017</b>	<u>125,100</u>	<u>(1,025,558)</u>	<u>(900,458)</u>
 <b>At 1 July 2017</b>	 125,100	 (1,025,558)	 (900,458)
Total comprehensive loss for the financial year	-	(243,305)	(243,305)
Shares issued	3,100,000	-	3,100,000
<b>At 30 June 2018</b>	<u>3,225,100</u>	<u>(1,268,863)</u>	<u>1,956,237</u>

The notes to the accounts form an integral part of the financial statements.

**Kuflink Ltd**  
**Statement of Cash Flows**  
**for the year ended 30 June 2018**

	Notes	2018 £	2017 £ (Restated)
<b>Operating activities</b>			
Operating Loss for the financial year		(337,862)	(1,025,678)
Adjustments for:			
Depreciation		31,742	28,762
Amortisation of intangible fixed assets		176,348	-
Decrease/(increase) in debtors		100,345	(155,124)
(Decrease)/increase in creditors		(1,976,204)	2,082,882
		<u>(2,005,631)</u>	<u>930,842</u>
Interest received		1,012	120
Cash (used in)/generated by operating activities		<u>(2,004,619)</u>	<u>930,962</u>
<b>Investing activities</b>			
Payments to acquire intangible fixed assets		(1,112,591)	(705,395)
Payments to acquire tangible fixed assets		(3,354)	(176,300)
Cash used in investing activities		<u>(1,115,945)</u>	<u>(881,695)</u>
<b>Financing activities</b>			
Proceeds from the issue of shares		3,100,000	125,000
Cash generated by financing activities		<u>3,100,000</u>	<u>125,000</u>
<b>Net cash (used)/generated</b>			
Cash (used in)/generated by operating activities		(2,004,619)	930,962
Cash used in investing activities		(1,115,945)	(881,695)
Cash generated by financing activities		3,100,000	125,000
Net cash (used)/generated		<u>(20,564)</u>	<u>174,267</u>
Cash and cash equivalents at 1 July		<u>174,367</u>	<u>100</u>
Cash and cash equivalents at 30 June		<u>153,803</u>	<u>174,367</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>153,803</u>	<u>174,367</u>

The notes to the accounts form an integral part of the financial statements.

**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared on the going concern basis and under the historical cost convention in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Companies Act 2006.

***Turnover***

Revenue is recognised on an accrual basis net of VAT and rebates.

***Intangible fixed assets***

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

An internally generated asset arising from the Company's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software, new systems and brand awareness);
- it is probable that the asset created will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

The Company is developing its own internally generated platform and software to manage its operations and to create a platform that will give investors a differentiated customer experience. Costs in relation to these system developments are capitalised as incurred. These intangible fixed assets are amortised on a straight line basis over their expected useful lives starting from the point at which the asset has been completed and is being utilised by the company.

Intangible fixed assets	over 4 years - straight line basis
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***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold and improvements	over 5 years - straight line basis
Fixtures, fittings and equipment	over 4 years - straight line basis

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Creditors are initially measured at fair value, which approximates to the amount expected to be required to settle the obligations of the company and subsequently measured at amortised cost.



**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

**Administrative expenses**

Expenses incurred are recognised on an accrual basis.

**Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference. Current and deferred tax assets and liabilities are not discounted.

**Provisions**

Provisions are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the Directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. The Directors are not aware of any significant judgements or significant sources of estimation uncertainty used in the preparation of the company's financial statements.

	Year ended 30 June 2018 £	15 months ended 30 June 2017 £ (Restated)
<b>2 Analysis of turnover</b>		
Platform fees	1,020,000	66,511

All turnover arises from services provided in the United Kingdom in respect of the company's principal activity.

**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

	<b>Year ended</b>	<b>15 months</b>
	<b>30 June</b>	<b>ended</b>
	<b>2018</b>	<b>30 June</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
		<b>(Restated)</b>

**3 Operating loss**

The operating loss of the company is stated after charging:

Depreciation of fixed assets	31,742	28,762
Amortisation of intangibles	176,348	-
Auditor's remuneration for audit services	34,000	19,600

The auditor did not receive any remuneration in respect of non audit services provided to the company during the year.

**4 Directors' emoluments**

No emolument was paid to the directors by the company during the year. The remuneration of the directors is borne by an affiliated undertaking. The services that the directors perform on behalf of the company are considered to be a small proportion of the overall roles and responsibilities of each director on behalf of the Kuflink group. As a result, it is not considered possible to allocate a proportion of each director's overall remuneration to the company.

	<b>Year ended</b>	<b>15 months</b>
	<b>30 June</b>	<b>ended</b>
	<b>2018</b>	<b>30 June</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
		<b>(Restated)</b>

**5 Staff costs**

Wages and salaries	85,663	530,220
Social security costs	3,399	45,514
Other pension costs	334	-
	<u>89,396</u>	<u>575,734</u>

	<b>Year ended</b>	<b>15 months</b>
	<b>30 June</b>	<b>ended</b>
	<b>2018</b>	<b>30 June</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>

**6 Taxation**

**Analysis of charge in period**

Current tax:

Corporation tax charge for the current year

Adjustments in respect of previous periods

-	-
(93,545)	-

Tax credit on loss on ordinary activities

(93,545)	-
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**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	Year ended 30 June 2018 £	15 months ended 30 June 2017 £ (Restated)
Loss on ordinary activities before tax	<u>(336,850)</u>	<u>(1,025,558)</u>
Standard rate of corporation tax in the UK	19%	20%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(64,002)	(205,112)
Effects of:		
Expenses not deductible for tax purposes	33,506	5,752
Loss surrendered to the group	20,854	199,360
Adjustments to tax charge in respect of previous periods	(93,545)	-
Fixed asset timing differences	9,642	-
Total tax charge for period	<u>(93,545)</u>	<u>-</u>

**Factors that may affect future tax charges**

In the Finance Act 2016, which received Royal Assent on 15 September 2016, the UK Government announced a reduction in the rate of UK corporation to 17% effective from 1 April 2020. The reduced rate of UK corporation tax will affect future tax payments to be made by the Company and have been taken into account in calculating deferred tax.

**7 Intangible fixed assets**

£

**Cost**

At 1 July 2017 (Restated)	705,395
Additions	1,112,591
At 30 June 2018	<u>1,817,986</u>

**Amortisation**

At 1 July 2017	-
Provided during the year	176,348
At 30 June 2018	<u>176,348</u>

**Carrying amount**

At 30 June 2018	<u>1,641,638</u>
At 30 June 2017	<u>705,395</u>

**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

**8 Tangible fixed assets**

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 July 2017	176,300	-	176,300
Additions	-	3,354	3,354
At 30 June 2018	<u>176,300</u>	<u>3,354</u>	<u>179,654</u>
<b>Depreciation</b>			
At 1 July 2017	28,762	-	28,762
Charge for the year	31,393	349	31,742
At 30 June 2018	<u>60,155</u>	<u>349</u>	<u>60,504</u>
<b>Carrying amount</b>			
At 30 June 2018	<u>116,145</u>	<u>3,005</u>	<u>119,150</u>
At 30 June 2017	<u>147,538</u>	<u>-</u>	<u>147,538</u>

**9 Debtors**

	2018 £	2017 £ (Restated)
Amounts owed by group undertakings	36,597	135,765
Tax Recoverable	93,545	-
Prepayments	18,182	19,359
	<u>148,324</u>	<u>155,124</u>

**10 Creditors: amounts falling due within one year**

	2018 £	2017 £ (Restated)
Trade creditors	51,252	85,093
Amounts owed to group undertakings	-	1,928,283
Other taxes and social security costs	11,013	12,406
Accruals and deferred income	44,413	57,100
	<u>106,678</u>	<u>2,082,882</u>

**11 Share capital**

	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid: Ordinary shares	£1 each	3,225,100	<u>3,225,100</u>	<u>125,100</u>
	Nominal value	Number	Amount £	
Shares issued during the period: Ordinary shares	£1 each	3,100,000	<u>3,100,000</u>	

**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

<b>12 Profit and loss account</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
		<b>(Restated)</b>
At 1 July	(1,025,558)	-
Loss for the financial year	(243,305)	(1,025,558)
At 30 June	<u>(1,268,863)</u>	<u>(1,025,558)</u>

**13 Controlling party**

Kuflink Ltd is 100% owned by Kuflink Group Plc. The registered address of the parent company is 21 West Street, Gravesend, Kent, DA11 0BF. Consolidated accounts that include the results and financial position of the company are prepared by Kuflink Group Plc and are available from the registered address.

**14 Presentation currency**

The financial statements of the company are presented in Sterling.

**15 Legal form of entity and country of incorporation**

Kuflink Ltd is a private company limited by shares and incorporated in England.

**16 Principal place of business**

The address of the company's principal place of business and registered office is:

21 West Street  
Gravesend  
Kent  
DA11 0BF

**Kuflink Ltd**  
**Notes to the Accounts**  
**for the year ended 30 June 2018**

**17 Correction of prior period errors**

The financial statements of 2017 have been restated to correct certain errors. The effect of the restatement on each financial statement line item affected is shown below.

	£
Turnover	-
Cost of sales	(216,130)
Gross loss	<u>(216,130)</u>
Administrative expenses	70,698
Operating loss	<u>(145,432)</u>
Interest receivable	120
Loss on ordinary activities before taxation	<u>(145,312)</u>
Tax on loss on ordinary activities	<u>-</u>
Loss for the financial year	<u><u>(145,312)</u></u>
	£
<b>Fixed assets</b>	
Intangible assets	(145,312)
<b>Current assets</b>	
Debtors	2,053,807
<b>Creditors: amounts falling due within one year</b>	(2,053,807)
<b>Net current liabilities</b>	-
<b>Net liabilities</b>	<u><u>(145,312)</u></u>
<b>Capital and reserves</b>	
Profit and loss account	(145,312)
<b>Total shareholder's funds</b>	<u><u>(145,312)</u></u>

Certain cost of sales expenses amounting to £145,312 were capitalised incorrectly and included in intangible asset at 30 June 2017.

In addition expenses amounting to £70,818 and interest receivable of £120 were reclassified from administrative expenses to cost of sales and interest receivable to correct the incorrect classification shown in the prior year financial statements.

A debtor and creditor balance of £2,053,807 relating to amounts held by the company as collateral on behalf of third parties was removed as shown incorrectly in the prior year financial statement.