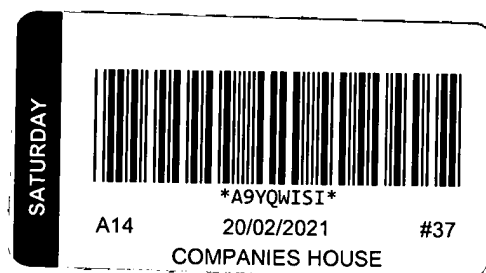


UNDER THE DOORMAT LIMITED

UNAUDITED

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FOR THE YEAR ENDED 31 MARCH 2020



UNDER THE DOORMAT LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Director presents her report and the financial statements for the year ended 31 March 2020.

Principal activity

The company's principal activity during the year continued to be the provision of accommodation management in the sharing economy sector.

Governance

The company is constituted to have one formally appointed statutory director, who makes up the board of directors as defined under company law and referenced within these financial statements.

In support of decision making, the director has instructed Weilers as external Accountants to prepare the accounts and is supported by a Chief Financial Officer who has signed off the work and a carefully selected strategic board. While having no statutory remit as a board under company law, this advisory panel is vital to key decision making and the finance member of the board has supported the accounts.

Business Activity

During the year ended 31 March 2020, the company delivered over £2.1m in gross booking revenues, an increase of 78% over the previous year, while administrative costs increased by only 0.6%, reducing the year on year loss by 26%, demonstrating the company is on the path to sustainable profitability as it grows.

It continued to grow its short-stay accommodation business, generating gross booking revenues of £1.6m, yielding turnover of £659k.

In addition, the company piloted its marketing and distribution arm, which services property portfolio managers, providing a technology led route for geographic expansion and growth of the business. In order to scale up this service, the company commenced development during the year of a bespoke software application, Hospiria, for official launch in the summer of 2020. In pilot phase, this model generated £700k of gross booking revenues, yielding turnover of £92k.

Director

The Director who served during the year and her interest in the Company's issued share capital was:

	Ordinary shares of 0.2p each	
	31/3/20	1/4/19
Merilee E Karr	95,068	100,000

Small companies note

In preparing this report, the Director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

UNDER THE DOORMAT LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

This report was approved by the board and signed on its behalf.

DocuSigned by:
Merilee Karr
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Merilee E Karr
Director

Date: 12-02-21

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	3,500	6,618
		<u>3,500</u>	<u>6,618</u>
Current assets			
Debtors	5	433,426	304,115
Cash at bank and in hand	6	347,480	76,725
		<u>780,906</u>	<u>380,840</u>
Creditors: amounts falling due within one year	7	(301,833)	(331,697)
Net current assets		<u>479,073</u>	<u>49,143</u>
Total assets less current liabilities		<u>482,573</u>	<u>55,761</u>
Provisions for liabilities			
Deferred tax	8	(665)	(1,258)
		<u>(665)</u>	<u>(1,258)</u>
Net assets		<u>481,908</u>	<u>54,503</u>
Capital and reserves			
Called up share capital		348	302
Share premium account		2,057,210	1,216,012
Profit and loss account		(1,575,650)	(1,161,811)
		<u>481,908</u>	<u>54,503</u>

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The Director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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:

DocuSigned by:
Merilee Karr
5362D33CD3D3429.....
Merilee E Karr
Director

Date: 12-02-21

The notes on pages 5 to 13 form part of these financial statements.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Under the Doormat Limited is a private company limited by share capital, incorporated in England and Wales, registration number 08968561. The address of the registered office is The Lightbulb 115, 1 Filament Walk, London, SW18 4GQ.

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 following principal accounting policies have been applied:

2.2 Going concern

The group closed an equity funding round totalling £881,484 in February 2020 and had net current assets of £479,073 at the year-end. At that time, the company had budgeted to generate EBITDA losses of £222,700 with modest capital expenditure plans.

The Coronavirus lockdown hit the business in the latter part of March, but had only a limited impact on the results at 31 March 2020. The company was able to immediately reduce costs due to its variable cost structure and asset light business model.

In addition to the convertible loan raised in June 2020, the company reduced overheads significantly. The company has been awarded an Innovate UK Grant of £50k and able to access the Coronavirus Job Retention Scheme and a £50k loan through the Bounce-back Loan facility. As a consequence, the director believes that the company is well placed to manage its business risks successfully and continue its operations for the foreseeable future despite the current uncertain economic outlook.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 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 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 costs incurred and the costs to complete the contract can be measured reliably;
- at the time of fully discharging obligations in respect of booking i.e. at the date of check in.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.6 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.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions**Defined contribution pension plan**

The Company contributes into 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.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 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.

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:

Fixtures, fittings, tools and equipment	- over 4 years
Office equipment	- over 4 years
Website	- over 2 years

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.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.13 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.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 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.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 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.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2019 - 17).

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2019	5,031	6,802	21,048	32,881
Additions	-	499	-	499
At 31 March 2020	<u>5,031</u>	<u>7,301</u>	<u>21,048</u>	<u>33,380</u>
Depreciation				
At 1 April 2019	2,837	3,986	19,439	26,262
Charge for the year on owned assets	1,152	1,662	804	3,618
At 31 March 2020	<u>3,989</u>	<u>5,648</u>	<u>20,243</u>	<u>29,880</u>
Net book value				
At 31 March 2020	<u>1,042</u>	<u>1,653</u>	<u>805</u>	<u>3,500</u>
At 31 March 2019	<u>2,193</u>	<u>2,816</u>	<u>1,609</u>	<u>6,618</u>

5. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	11,401	11,401
Deferred tax asset	346,340	274,058
	<u>357,741</u>	<u>285,459</u>
Due within one year		
Trade debtors	4,900	89
Other debtors	2,007	5,727
Prepayments and accrued income	68,778	12,840
	<u>433,426</u>	<u>304,115</u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	347,480	76,725
	<u>347,480</u>	<u>76,725</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Loans	-	64,323
Trade creditors	33,787	18,575
Paid up capital - (to issue)	-	4,000
Other taxation and social security	10,782	8,184
Other creditors	256,197	230,763
Accruals and deferred income	1,067	5,852
	<u>301,833</u>	<u>331,697</u>

Paid up capital (to issue) represents funds collected from investors under Advanced Subscription Agreements. The amounts are non-refundable and will convert into equity at the close of a Qualifying Finance Round, as defined within the agreements.

On 26 April 2018 Lloyds Bank Plc placed a fixed and floating charge over all the undertakings of the company.

8. Deferred taxation

	2020 £	2019 £
At beginning of year	272,801	152,557
Charged to profit or loss	72,874	120,244
At end of year	<u>345,675</u>	<u>272,801</u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(665)	(1,258)
Tax losses carried forward	346,340	274,059
	<u>345,675</u>	<u>272,801</u>
Comprising:		
Asset - due after one year	346,340	274,058
Liability	(665)	(1,258)
	<u>345,675</u>	<u>272,800</u>

9. Prior year adjustment

Fundraising costs in respect of equity raises have previously been expensed to profit and loss. During the period under review, the company changed its policy in order that these costs are netted against share premium. Accordingly, a prior period adjustment of £9,956 has been recorded, reducing share premium and in consequence, the deficit on retained earnings.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,122 (2019 - £5,467). Contributions totalling £2,112 (2019 - £1,205) were payable to the fund at the balance sheet date and are included in creditors.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	53,718	22,006
Later than 1 year and not later than 5 years	35,490	12,820
	<u>89,208</u>	<u>34,826</u>

The operating lease represents commitments under the rental agreement in respect of the company's premises.