

UNDER THE DOORMAT LIMITED

UNAUDITED

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021



UNDER THE DOORMAT LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Director presents her report and the financial statements for the year ended 31 March 2021.

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 Wellers as external Accountants to prepare the accounts and is supported by a Chief Financial Officer 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.

During the year ended 31 March 2021, the company has been significantly affected by the COVID-19 pandemic, in common with the whole hospitality sector. While lockdowns severely reduced booking levels, the company was able to reduce costs due to its variable cost structure and asset light business model. Furthermore, the company promptly set up an industry initiative called NHS Homes, playing a leading role in providing free stays worth over £20m to NHS workers across the UK.

The company took advantage of the government grant support available, including the Coronavirus Job Retention Scheme and local council-awarded grants, together with a Bounce-back Loan of £50,000 and a convertible loan agreement of £337,400 under the Future Fund scheme.

Due to the pandemic, gross bookings fell to £0.73m (2020: £2.15m), but due to the support of grant schemes and the tight control of costs, operating losses were reduced by 38% compared to the previous year to £297k (2020: £476k).

Looking forward, the company is well-capitalised and is positioned to grow as the hospitality sector recovers. The core managed business has been significantly enhanced by the addition of the 3 Sloane Gardens aparthotel, which the company manages for the Cadogan Estate, and there are further such B2B clients in the pipeline.

Hospiria, the company's SAAS technology platform, has been launched and is being actively marketed to the addressable market of 120k independent accommodation providers and 50k serviced apartment companies globally.

In addition, the company now has a third service line, born from an opportunity identified during the NHS Homes initiative. With the support of £175k in grants from Innovate UK, the company has built the NHS Homes programme into a sustainable business model. Trusted Stays is an industry platform to enable the short-letting industry to access and service the significant and previously inaccessible government procurement market, with further potential for corporate and business travel.

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	
	31/3/21	1/4/20
Merilee E Karr	88,000	95,068

UNDER THE DOORMAT LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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.

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

DocuSigned by:

Merilee Karr

5362D33CD3D3429.....

Merilee E Karr

Director

Date: 22-09-21

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	194,131	3,499
		<u>194,131</u>	<u>3,499</u>
Current assets			
Debtors	5	610,839	433,427
Cash at bank and in hand	6	635,208	347,480
		<u>1,246,047</u>	<u>780,907</u>
Creditors: amounts falling due within one year	7	(816,532)	(301,833)
Net current assets		<u>429,515</u>	<u>479,074</u>
Total assets less current liabilities		<u>623,646</u>	<u>482,573</u>
Creditors: amounts falling due after more than one year	8	(41,667)	-
Provisions for liabilities			
Deferred tax	10	(36,885)	(665)
		<u>(36,885)</u>	<u>(665)</u>
Net assets		<u>545,094</u>	<u>481,908</u>
Capital and reserves			
Called up share capital		364	348
Share premium account		2,398,167	2,067,166
Profit and loss account		(1,853,437)	(1,585,606)
		<u>545,094</u>	<u>481,908</u>

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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: 22-09-21

The notes on pages 5 to 14 form part of these financial statements.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

During the financial year, the company raised a convertible loan of £337,400 under the Future Fund facility and equity funding round totalling £337,000. As a result, the company cash balances of £635,208 at the year-end.

In April 2021, the company issued a further Advanced Subscription for £77,000 of ordinary shares. 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 2021**

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.

Income regarding long bookings is also recognised once the above criteria has been satisfied.

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 2021**

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 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 Income and Retained Earnings in the same period as the related expenditure.

2.8 Interest income

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

2.9 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.

2.10 Borrowing costs

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

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.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.12 National Insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes after 19 May 2000, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

2.13 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.

2.14 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.

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.14 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:

Fixtures, fittings, tools and equipment	- over 4 years
Office equipment	- over 4 years
Other	- over 5 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

UNDER THE DOORMAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.19 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 13 (2020 - 14).

4. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Website and platform development £	Total £
Cost or valuation				
At 1 April 2020	5,031	7,301	21,048	33,380
Additions	-	2,562	202,946	205,508
At 31 March 2021	5,031	9,863	223,994	238,888
Depreciation				
At 1 April 2020	3,989	5,648	20,243	29,880
Charge for the year on owned assets	523	644	13,710	14,877
At 31 March 2021	4,512	6,292	33,953	44,757
Net book value				
At 31 March 2021	519	3,571	190,041	194,131
At 31 March 2020	1,042	1,653	804	3,499

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	22,023	11,401
Deferred tax asset	440,796	346,340
	<u>462,819</u>	<u>357,741</u>
Due within one year		
Trade debtors	1,799	4,900
Other debtors	101,799	2,007
Prepayments and accrued income	44,422	68,779
	<u>610,839</u>	<u>433,427</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	635,208	347,480
Less: bank overdrafts	(2,648)	(3,392)
	<u>632,560</u>	<u>344,088</u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	2,648	3,392
Bank loans	8,333	-
Other loans	357,575	-
Trade creditors	31,098	33,787
Paid up capital - (to issue)	100,000	-
Other taxation and social security	10,521	10,782
Other creditors	159,487	252,805
Accruals and deferred income	146,870	1,067
	816,532	301,833

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. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	41,667	-
	41,667	-

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	8,333	-
Other loans	357,575	-
	<u>365,908</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	10,000	-
	<u>10,000</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	30,000	-
	<u>30,000</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	1,667	-
	<u>1,667</u>	<u>-</u>
	<u><u>407,575</u></u>	<u><u>-</u></u>

10. Deferred taxation

	2021 £	2020 £
At beginning of year	345,675	272,801
Charged to profit or loss	58,236	72,874
At end of year	<u><u>403,911</u></u>	<u><u>345,675</u></u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2021	2020
	£	£
Accelerated capital allowances	(36,885)	(665)
Tax losses carried forward	440,796	346,340
	403,911	345,675
	403,911	345,675
Comprising:		
Asset - due after one year	440,796	346,340
Liability	(36,885)	(665)
	403,911	345,675
	403,911	345,675

11. 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 £13,913 (2020 - £8,122). Contributions totalling £2,272 (2020 - £2,112) were payable to the fund at the balance sheet date and are included in creditors.

12. Commitments under operating leases

At 31 March 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	35,490	53,718
Later than 1 year and not later than 5 years	-	35,490
	35,490	89,208
	35,490	89,208

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