

UNDER THE DOORMAT LIMITED

UNAUDITED

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

UNDER THE DOORMAT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

UNDER THE DOORMAT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal activity

Governance

Since 1 December 2022, the company has had a board of four formally appointed directors.

Company structure

The Company's activities comprise three distinct but interconnected operating divisions within a group of companies: Under the Doormat Managed Limited; Hospiria Limited and Trusted Stays Limited. Under the Doormat Limited acts as a holding company, managing central corporate resources on behalf of the group.

Trusted Stays Limited has its own separate Board of Directors, which is made up of the leaders of the partner associations, UKAA and STAA, and the CEO of Quality in Tourism to ensure focus on standards.

Trading

During the year ended 31 March 2023 the group has made significant progress with gross booking value of £4.2m across the three businesses, up 136% on the previous year (£1.78m).

The Managed division has grown considerably, particularly through the increase in business-to-business management deals, capitalizing on the Company's success in managing Cadogan's apart-hotel building at 3 Sloane Gardens.

Hospiria is a SaaS platform for end-to-end management and distribution of short-let property portfolios and continues to grow its presence in the professional operator market globally.

Trusted Stays is a powerful industry platform giving the short-letting industry unique access to the significant and previously inaccessible government and business travel market. This has been enhanced with a global partnership with Amadeus giving Trusted Stays a direct channel into the Global Distribution System (GDS) for the professional operators in the industry.

Post balance sheet events

On 5 April 2023, the Company completed a funding round of £1.0m through subscriptions to new ordinary shares.

In addition, on 17 July 2023, the Company entered into a loan agreement with Innovate UK for a £987,000 Innovation Loan to support the further development of the Trusted Stays platform, to be drawn down quarterly over a two year period.

Directors

The Directors who served during the year and their interests in the Company's issued share capital were:

	Ordinary shares of 0.2p each	
	31/3/23	1/4/22
Merilee E Karr	88,000	88,000
James Davies (appointed 1 December 2022)	3,069	-
Benjamin Jay (appointed 1 December 2022)	2,300	-
Edward Woodcock (appointed 1 December 2022)	<u>2,248</u>	<u>-</u>

UNDER THE DOORMAT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Small companies note

In preparing this report, the Directors have 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.

.....
Merilee E Karr

Director

Date: 7 December 2023

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	9,230	7,370
Investments	5	300	300
		<u>9,530</u>	<u>7,670</u>
Current assets			
Debtors	6	2,155,514	996,060
Cash at bank and in hand	7	108,960	612,034
		<u>2,264,474</u>	<u>1,608,094</u>
Creditors: amounts falling due within one year	8	(825,951)	(195,487)
Net current assets		<u>1,438,523</u>	<u>1,412,607</u>
Total assets less current liabilities		<u>1,448,053</u>	<u>1,420,277</u>
Creditors: amounts falling due after more than one year	9	(21,667)	(31,667)
Provisions for liabilities			
Deferred tax	11	(2,338)	(1,843)
		<u>(2,338)</u>	<u>(1,843)</u>
Net assets		<u><u>1,424,048</u></u>	<u><u>1,386,767</u></u>
Capital and reserves			
Called up share capital		408	408
Share premium account		3,471,549	3,453,976
Profit and loss account		(2,047,909)	(2,067,617)
		<u><u>1,424,048</u></u>	<u><u>1,386,767</u></u>

UNDER THE DOORMAT LIMITED
REGISTERED NUMBER: 08968561

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Directors consider 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 Directors acknowledge their 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:

.....
Merilee E Karr
Director

Date: 7 December 2023

The notes on pages 6 to 16 form part of these financial statements.

UNDER THE DOORMAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 directors continue to meet the company's day to day working requirements by calling on loans made to its subsidiary undertakings and by facilitating further investments in the company's share capital. The directors are satisfied that they can continue to finance the operations of the business in this manner and enable the company to achieve profitability. Accordingly, the directors consider it appropriate to prepare these accounts on a going concern basis.

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'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

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.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 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

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.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.19 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2022 - 12).

UNDER THE DOORMAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2022	5,899	14,432	20,331
Additions	2,639	2,228	4,867
At 31 March 2023	8,538	16,660	25,198
Depreciation			
At 1 April 2022	5,076	7,885	12,961
Charge for the year on owned assets	813	2,194	3,007
At 31 March 2023	5,889	10,079	15,968
Net book value			
At 31 March 2023	2,649	6,581	9,230
At 31 March 2022	823	6,547	7,370

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	300
At 31 March 2023	300

UNDER THE DOORMAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	21,613	21,613
Deferred tax asset	716,303	716,303
	<u>737,916</u>	<u>737,916</u>
Due within one year		
Trade debtors	-	33,957
Amounts owed by group undertakings	1,374,822	206,834
Other debtors	27,778	5,412
Prepayments and accrued income	14,998	11,941
	<u>2,155,514</u>	<u>996,060</u>

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	108,960	612,034
Less: bank overdrafts	(2,015)	(3,633)
	<u>106,945</u>	<u>608,401</u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	2,015	3,633
Bank loans	10,000	10,000
Trade creditors	32,330	48,584
Paid up capital - (to issue)	537,720	-
Amounts owed to group undertakings	-	65,997
Other taxation and social security	7,348	9,861
Other creditors	222,510	50,244
Accruals and deferred income	14,028	7,168
	<u>825,951</u>	<u>195,487</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.

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

	2023	2022
	£	£
Bank loans	21,667	31,667
	<u>21,667</u>	<u>31,667</u>

UNDER THE DOORMAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Amounts falling due 1-2 years		
Bank loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Amounts falling due 2-5 years		
Bank loans	11,667	21,667
	<u>11,667</u>	<u>21,667</u>
	<u>31,667</u>	<u>41,667</u>

11. Deferred taxation

	2023 £	2022 £
At beginning of year	714,460	403,911
Charged to profit or loss	(495)	310,549
At end of year	<u>713,965</u>	<u>714,460</u>

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(2,338)	(1,843)
Tax losses carried forward	716,303	716,303
	<u>713,965</u>	<u>714,460</u>
Comprising:		
Asset - due after one year	716,303	716,303
Liability	(2,338)	(1,843)
	<u>713,965</u>	<u>714,460</u>

12. 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 £4,181 (2022 - £7,100). Contributions totalling £158 (2022 - £98) were payable to the fund at the balance sheet date and are included in creditors.

13. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	35,834	35,384
	<u>35,834</u>	<u>35,384</u>

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

UNDER THE DOORMAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Related party transactions

No disclosure has been made of transactions with subsidiaries in accordance with paragraph 33.1A of FRS10.

At the balance sheet date, the company owed £49,954 (2022: £49,954) to Merilee Karr in the form of a directors loan. The loan is not subject to interest or fixed repayment terms.

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.