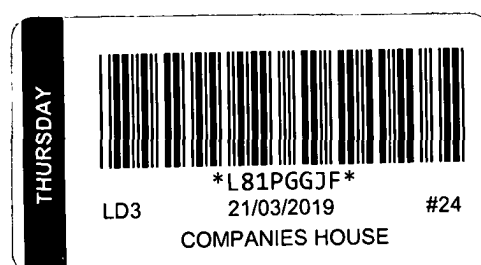


Registered number
09084634

Kuflink Group Plc
Annual Report and Consolidated Financial Statements
For the year ended 30 June 2018



Kuflink Group Plc
Report and accounts
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Kuflink Group Plc
Company Information

Directors

Sukhdev Singh DHILLON
Narinderjit KHATTOARE
Harwinder SINGH
Balbir Singh THIND
Nayan Vithaldas KISNADWALA
Satwinder Singh BINNING
Rawinder Singh BINNING
Tejwant Singh CHATTHA

Secretary

Sukhbir SARAN (Appointed 6 October 2017)

Auditor

Ernst & Young LLP
25 Churchill Place
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

09084634

Kuflink Group Plc Chairman's Statement

I am pleased to present Kuflink Group Plcs ('the Group') annual report and consolidated financial statements for the year ended 30 June 2018.

The Group continues to provide secured short term bridging finance facilities to the real estate development sector using both debt and equity funding from the Group's balance sheet as well capital raised via an electronic peer-to-peer lending platform operated by the Group. During the period we continued to invest substantially into improving our proprietary technology and IT infrastructure; developing our risk management and security procedures whilst growing our in-house talent. This investment is key, and the Group will continue investing throughout the next period. We continue to deliver value to our customers. For our investors we offer attractive risk-adjusted returns in a simple way that is accessible to all. For our borrowers, we provide opportunities by making available funds for short term projects with our flexible approach and speed of decision making.

The year saw Group turnover of £2.8million and a pre-tax loss of £0.8million. The total loan book at the end of the period was £19million of which £12million was funded through the Kuflink P2P platform. The funding through the P2P platform for the previous period was at £2million. The P2P platform has achieved three milestones in relation to total platform investments for 2018: £10million by January 2018, £20million by September 2018 and then £30million by November 2018. The P2P platform has not sustained any investor losses this year, a statistic that remains key to our business ethos. The average loan to value of the P2P portfolio has been 54% for the year. Further, continuing to co-invest in each deal is a tangible demonstration of our commitment to quality loans and this, alongside our UK property security, provides our investors with a high level of confidence in our deals.

I am proud to announce, an earlier than planned, engagement of EY as our new auditors. The group has long since viewed the undertaking of a 'Big 4' firm as an essential part of its long-term plans, ensuring the risk mitigation and compliance remains central as we expand. This year I am happy to announce two 'Independent Non-Executive Directors' ('INED') appointed to the board. The first INED is Nayan Kisnadwala, who has over three decades of global finance service experience with world class companies like Citibank, American Express, Barclays, First Data and RBS. He has been a strategic CFO for large and small businesses. Recently he was the Group CFO for 'Premium Credit' ('PC') where he led the creation and execution of the Value Creation Plan after acquisition of the company by a Private Equity firm. Before PC, Nayan was the Global CFO of Barclaycard.

The second INED is Sukhdev Dhillon who has had a 38-year career with the RBS/NatWest Group, during which time he was employed in some of NatWest's prominent City offices. In addition to his many years of lender relations experience, Sukhdev has also worked in a Credit Underwriting team where he managed credit risk for a number of high-profile corporate clients.

To strengthen our corporate governance, we have had consideration for the requirements of the 'UK Corporate Governance Code' ('Code'). We have implemented many new processes to ensure we meet certain requirements within the Code. This includes setting up four committees: an Audit committee, a Nomination committee, a Remuneration committee, and a Compliance/Risk committee. In addition, stakeholder engagement is something we have started focusing more on to ensure we are always considering the long-term success of the Group. I am also pleased to announce that all Kuflink employees have been issued with Growth shares in the group, thus enabling them to be rewarded in line with the Group's success. We take security and protecting our clients' data as high priorities. In order to respond to this objective, we obtained full ISO 27001 certification in June 2018. This requires all departments to work together on an ongoing basis.

I would like to take this opportunity to express the board's gratitude to our hard-working team for their continued contribution to the long-term success and growth of the Group, thus putting us in a strong position to ensure we deliver our core purpose to our stakeholders.

On behalf of the board



B Thind

Chairman

21 March 2019

Kuflink Group Plc
Registered number:
Directors' Report

09084634

The directors present their report and the Consolidated financial statements of Kuflink Group Plc ('the company') and its subsidiaries (together 'the group') for the year ended 30 June 2018.

Principal activities

The group's principal activity during the year continued to be the provision of secured short term bridging finance facilities to the real estate development sector using capital raised from the Group's own balance sheet and via the operation of an electronic peer to peer (P2P) platform.

The strategic report on pages 6 to 9 contains a review of the performance of the group during the year and provides information on the development of the group's business.

Future developments

The directors expect that the group will continue to grow rapidly. The expected future developments in the business are discussed in the strategic report.

Going concern

The group 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 group to be loss making over the medium term.

Whilst the group had a marginal net current liability position at 30 June 2018, the director's note that the maturity profile of the group's loan portfolio is expected to provide adequate liquidity to meet the company's commitments to its borrowers. The group has ensured that loans are secured with collateral such that, in the event of default, the group will be able to crystallise the underlying security in order to maintain liquidity. Finally, the directors note that the group has significantly increased the number of loans originated by the group; demonstrating an ability to continue to source appropriate investment opportunities and generate an underlying base from which to drive growth in profitability.

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

Kuflink Group Plc
Registered number:
Directors' Report

09084634

Financial risk management

Given the operations of the group described above, the group's key financial risks include the credit risk associated with borrower default arising from the loan portfolio and the liquidity risk associated with having insufficient capital available to meet the group's obligations to its finance providers.

The group has limited financial exposure to currency risk or interest rate risk as the bonds issued and loans made by the group are in sterling at fixed rates of interest.

The credit risk described above includes a failure on behalf of the borrower to make interest or capital repayments as they fall due in accordance with the terms of the underlying loan agreements. The group's policies aim to minimise the risk of credit losses through the performance of due diligence on the creditworthiness of each borrower prior to entering into a loan agreement and through the receipt of adequate collateral to act as security in the event of default.

The liquidity risk described above is managed by aligning the maturity profiles for the repayment of capital and interest to the group's debt providers with the repayment profile of loans made to borrowers to ensure that the loan portfolio provides adequate liquidity to meet the group's commitments to its debt providers. This cash flow profile is monitored by management on an active basis throughout the year.

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 group being subject to a fine or a ban on trading activities. This is managed through regular review of the group's compliance framework by Senior management.

The group will continue to have the financial risk management at the top of its agenda. The group's risk management framework evolves on a regular basis and is managed by setting a clear risk policy & providing relevant training to the group's staff.

Results and Dividends

The results of the group for the year are set out in Statement of Comprehensive Income on page 12. No ordinary dividend was paid. The directors do not recommend the payment of a final dividend.

Directors

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

Sukhdev Singh DHILLON	(Appointed on 23 November 2017)
Narinderjit KHATTOARE	
Harwinder SINGH	(Appointed on 18 September 2017)
Balbir Singh THIND	
William Thomas BOOTH	(Resigned on 4 October 2017)
Nayan Vithaldas KISNADWALA	(Appointed on 18 September 2018)
Satwinder Singh BINNING	(Appointed on 1 November 2018)
Rawinder Singh BINNING	(Appointed on 1 November 2018)
Tejwant Singh CHATTHA	(Appointed on 1 November 2018)

Kuflink Group Plc
Registered number:
Directors' Report

09084634

Directors' responsibilities

The directors are responsible for preparing the directors' report, strategic report and the consolidated 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 (Financial Reporting Standard 102 and applicable law). 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 group and the company and of the profit or loss of the group 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 group or the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 21 March 2019 and signed on its behalf.



Narinder KHATTOARE
Director

Kuflink Group Plc Strategic Report

The Directors of Kuflink Group PLC and its subsidiaries are pleased to present their strategic report for the year ended 30th June 2018.

Principle Activity of the Business

The company is responsible for originating, underwriting and arranging new bridging finance opportunities in the property development sector. The capital used to fund new lending is partially derived from the company's own debt and equity capital. However, once arranged, the majority of each loan is novated and financed by capital provided from individual investors introduced through the Kuflink peer to peer lending platform that is operated by Kuflink Ltd (an affiliated undertaking of the company).

Financial Results and Statement of Financial Performance

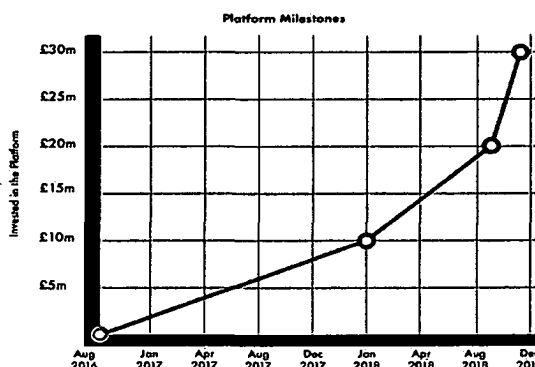
Kuflink began trading in December 2011 and has been one of the few start-ups to consistently return a profit and increases in revenue, although significant investments made by the Group this year to ensure our place as a market-leader going forward have resulted in our first reported loss.

However, we are very pleased to be in such a strong position to launch an array of new products in the coming months. We wholeheartedly intend to keep investing in our team and infrastructure with a confident view to increasing our market share and gaining a competitive edge.

The underlying performance during this financial year reflects continued growth with year on year revenues increasing by 12%.

Loan Book and Milestones

Kuflink's growing team, increased expertise and refined products have helped us to achieve substantial growth across the business. The loan book grew by over 50% during the financial year and has continued this trend since the year end. We have also 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 has been a major driving force behind Group's investments this year. To support the team and enhance risk controls, Kuflink has appointed a Senior Underwriter with significant industry experience and strong credentials.

We also have two Independent credit committees, both of 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 our platform. This security is reflected in the fact that Kuflink has sustained our zero investor losses achievement this year, a statistic that remains key to our business ethos. The current default rate sits at less than 5% of the loan book. We continue to co-invest in each deal as a tangible demonstration of our 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.

Kuflink is proud of achieving a loan book of its size through internal resources. Although Kuflink has been approached with funding proposals from external parties this year, our market analysis



concluded that the best course of action was to ensure that we did not become overexposed in a cautious market. Instead, we focussed on achieving steady, sustainable growth with a view to exploring institutional funding options in the future.

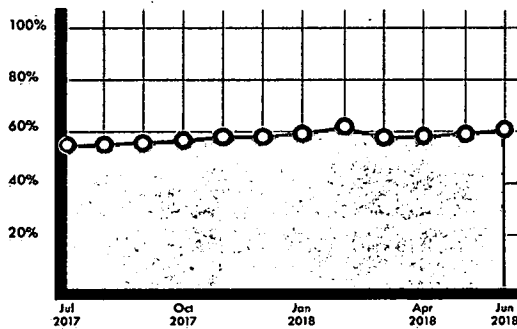
However, we recognise that partnering with external finance providers can bring immense value and enable us to become more competitive. Our initial research has shown that there are many interested parties and, with the correct funding that suits all parties, the growth potential for Kuflink is exponential. At a business level, Kuflink has pledged to ensure that any future partnerships we enter into will have no negative impact for our stakeholders.

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 promotes a more effective collections operation for Kuflink Bridging and provides more attractive, lower-risk opportunities for P2P lenders.

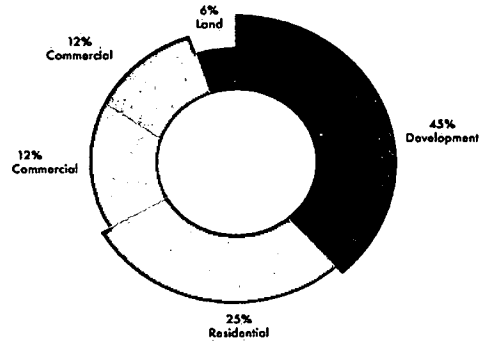
Platform Loans Security Locations



Average LTV (Weighted monthly)



Platform Loans at 30th June 2018



Investments and Development

The Group 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 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 April 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.

Kuflink Debit Card

Kuflink will soon be launching its own deposit account and rolling out debit cards. In the first instance, the debit cards will complement our P2P platform, allowing users to seamlessly move funds between accounts. These timely additions will work alongside the mobile app to enhance transparency, control and user experience for our investors.

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.

Appointment of EY as new Auditors

Kuflink are proud to announce the engagement of EY as their new auditors. 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.

Enhancement of Talent

As a core element of our growth plans, Kuflink is continually assessing our resource requirements in line with our ambitions to expand into further financial sectors. During the year, the Group hired a Senior Underwriter, a further Qualified Accountant, and a Head of Operations & Human Resources. Since the year end, we are pleased to announce that we have appointed Nayan V Kisnadwala as a NED. Nayan brings to the board a wealth of experience and knowledge having previously worked with the likes of Barclaycard Worldwide and RBS.

In addition to this, Narinder Khattoare, CEO, was recently named in the P2P Power50 list, which identifies those in the P2P industry that have helped it to grow over the past decade and those that will play a key role in its bright future.

Khattoare also joined the Association of Short Term Lenders' Executive Committee this year, which is democratically elected by key figures in the industry, demonstrating his impressive reputation amongst our industry peers.

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 employees have been issued growth shares 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.

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.

Awards and Recognition

The three 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' and 'Best Specialist Finance Provider' at the Property Wire Awards. More recently, Kuflink has demonstrated our commitment to high standards, continued innovation and investment security by joining the UK Crowdfunding Association.

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

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.

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.

This report was approved by the board on 21 March 2019 and signed on its behalf.



Narinder KHATTOARE
Director

Kuflink Group Plc
Independent auditor's report
to the members of Kuflink Group Plc

Opinion

We have audited the consolidated financial statements of Kuflink Group Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 30 June 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 23, 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 Group's and the Company's affairs as at 30 June 2018 and of the Group's 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 Group and 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 Group's or 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 Group Plc
Independent auditor's report
to the members of Kuflink Group Plc

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 Group and the Company and their 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 5, 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

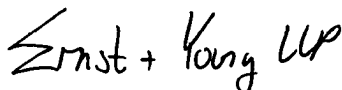
Auditor's responsibilities for the audit of the financial statements

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. 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 Group Plc
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2018

	Notes	Year ended 30 June 2018 £	18 months ended 30 June 2017 £ (Restated)
Turnover	3	2,827,172	3,787,538
Cost of sales		(1,397,123)	(1,529,276)
Gross profit		<u>1,430,049</u>	<u>2,258,262</u>
Administrative expenses		(2,225,304)	(2,140,142)
Operating (loss)/profit	4	<u>(795,255)</u>	<u>118,120</u>
Interest receivable		1,064	120
Interest payable	6	(605)	(108)
(Loss)/profit on ordinary activities before taxation		<u>(794,796)</u>	<u>118,132</u>
Tax credit / (charge) on (loss)/profit on ordinary activities	7	136,543	(82,099)
(Loss)/profit for the financial year		<u>(658,253)</u>	<u>36,033</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.

Kufflink Group Plc
Consolidated Statement of Financial Position
as at 30 June 2018

Registered number
09084634

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	8	2,175,367	737,868
Tangible assets	9	284,832	330,812
Loans held at amortised cost falling due after more than one year	11	<u>5,444,967</u>	<u>2,457,229</u>
		7,905,166	3,525,909
Current assets			
Loans held at amortised cost	11	1,585,170	8,050,922
Debtors	12	299,061	172,331
Cash at bank and in hand		<u>876,443</u>	<u>1,057,902</u>
		2,760,674	9,281,155
Creditors: amounts falling due within one year			
Financial liabilities held at amortised cost	13	(2,166,200)	(4,591,514)
Creditors	14	<u>(599,406)</u>	<u>(365,675)</u>
		(2,765,606)	(4,957,189)
Net current (liabilities)/assets		(4,932)	4,323,966
Total assets less current liabilities		<u>7,900,234</u>	<u>7,849,875</u>
Creditors: Financial liabilities held at amortised cost falling due after more than one year	13	(3,839,876)	(3,770,512)
Provisions for liabilities			
Deferred taxation	15	(5,943)	(36,655)
Net assets		<u>4,054,415</u>	<u>4,042,708</u>
Capital and reserves			
Called up share capital	16	51,926	51,581
Share premium	17	4,609,524	3,939,909
Profit and loss account	18	(607,035)	51,218
Total equity		<u>4,054,415</u>	<u>4,042,708</u>

The total comprehensive income of the company for the year ended 30 June 2018 was £1,553,893 (2017: loss for the 18 months period ended 30 June 2017 of £59,059)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 21 March 2019.



Narinder Khattoare
Director

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

Kuflink Group Plc
Company Statement of Financial Position
as at 30 June 2018

Registered number
09084634

	Notes	2018 £	2017 £ Restated
Fixed assets			
Intangible assets	8	83,629	32,473
Investments	10	<u>6,966,793</u>	<u>3,866,593</u>
		7,050,422	3,899,066
Current assets			
Debtors	12	<u>75,087</u>	<u>169,998</u>
		75,087	169,998
Creditors: amounts falling due within one year	14	(1,001,181)	(168,589)
Net current (liabilities)/assets		<u>(926,094)</u>	<u>1,409</u>
Total assets less current liabilities		<u>6,124,328</u>	<u>3,900,475</u>
Net assets		<u>6,124,328</u>	<u>3,900,475</u>
Capital and reserves			
Called up share capital	16	51,926	51,581
Share premium	17	4,609,524	3,939,909
Profit and loss account	18	1,462,878	(91,015)
Total equity		<u>6,124,328</u>	<u>3,900,475</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 21 March 2019 by:

Narinder KHATTOARE
Director



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

Kuflink Group Plc
Consolidated Statement of Changes in Equity
for the year ended 30 June 2018

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2016	51,581	3,939,909	15,185	4,006,675
Total comprehensive income for the period	-	-	36,033	36,033
At 30 June 2017	<u>51,581</u>	<u>3,939,909</u>	<u>51,218</u>	<u>4,042,708</u>
At 1 July 2017	51,581	3,939,909	51,218	4,042,708
Total comprehensive loss for the financial year	-	-	(658,253)	(658,253)
Shares issued	345	669,615	-	669,960
At 30 June 2018	<u>51,926</u>	<u>4,609,524</u>	<u>(607,035)</u>	<u>4,054,415</u>

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

Kuflink Group Plc
Company Statement of Changes in Equity
for the year ended 30 June 2018

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2016	51,581	3,939,909	(31,956)	3,959,534
Total comprehensive loss for the period	-	-	(59,059)	(59,059)
At 30 June 2017	<u>51,581</u>	<u>3,939,909</u>	<u>(91,015)</u>	<u>3,900,475</u>
At 1 July 2017	51,581	3,939,909	(91,015)	3,900,475
Total comprehensive income for the financial year	-	-	1,553,893	1,553,893
Shares issued	345	669,615	-	669,960
At 30 June 2018	<u>51,926</u>	<u>4,609,524</u>	<u>1,462,878</u>	<u>6,124,328</u>

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

Kuflink Group Plc
Consolidated Statement of Cash Flows
for the year ended 30 June 2018

	2018 £	2017 £
Operating activities		
(Loss)/profit for the financial year	(658,253)	36,033
Adjustments for:		
Interest receivable	(1,064)	(120)
Interest payable	605	108
Tax on (loss)/profit on ordinary activities	(136,543)	82,099
Depreciation	84,521	65,302
Amortisation of intangible assets	335,651	-
Decrease in loans held at amortised cost		
Additions	(6,465,350)	(1,968,291)
Repayments	9,553,083	
Write offs	390,281	
Increase in debtors	(126,730)	(59,539)
(Decrease)/increase in creditors	(2,067,717)	3,472,538
	<u>908,484</u>	<u>1,628,130</u>
Interest received	1,064	120
Interest paid	(605)	(108)
Corporation tax paid	51,329	(138,666)
	<u>960,272</u>	<u>1,489,476</u>
Cash generated by operating activities		
Investing activities		
Payments to acquire intangible fixed assets	(1,773,150)	(737,868)
Payments to acquire tangible fixed assets	(38,541)	(370,666)
	<u>(1,811,691)</u>	<u>(1,108,534)</u>
Cash used in investing activities		
Financing activities		
Proceeds from the issue of shares	669,960	-
	<u>669,960</u>	<u>-</u>
Cash generated by financing activities		
Net cash (used)/generated		
Cash generated by operating activities	960,272	1,489,476
Cash used in investing activities	(1,811,691)	(1,108,534)
Cash generated by financing activities	669,960	-
	<u>(181,459)</u>	<u>380,942</u>
Net cash (used)/generated		
Cash and cash equivalents at 1 July	1,057,902	676,960
Cash and cash equivalents at 30 June	<u>876,443</u>	<u>1,057,902</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>876,443</u>	<u>1,057,902</u>

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

Kuflink Group Plc
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 under the historical cost convention unless otherwise specified within accounting policies and 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.

Kuflink Group Plc (the parent company incorporated and domiciled in the United Kingdom) has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in the financial statements. The Company's profit after tax for the year was £1,553,893 (2017: £59,059 loss).

Kuflink Finance No.1 Ltd, Kuflink Home Loans Limited, Kuflink Mini Bond Ltd & Kuflink Security Trustees Ltd will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 30 June 2018.

Basis of consolidation

The group's financial statements incorporate the financial statements of Kuflink Group Plc and its subsidiaries (as disclosed in Note 10). Consolidation of the assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary. Assets and liabilities are recognised at fair value at the date of acquisition. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the group. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Turnover

Revenue is made up of three elements; interest receivable on loans, fees associated with the arrangement of the loans and other fees associated with loans. Interest receivable and arrangement fees are recognised on an accruals basis using the effective interest method over the term of the financial asset. All other revenue and interest receivable is recognised on an accrual basis.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

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, system infrastructure and system security);
- it is probable that the asset created will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

The Group 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 group.

Intangible fixed assets	over 4 years - straight line basis
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The cost incurred in purchasing subsidiary are capitalised as Goodwill at cost less accumulative amortisation and any impairment losses.

Goodwill	over 10 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 Improvements	over 5 years - straight line basis
Fixtures, fittings and equipment	over 4 years - straight line basis

Investment in subsidiary

Subsidiary undertakings are all entities over which the group has exposure or rights to variable returns, and the ability to affect those returns through its power over the undertaking.

Subsidiary undertakings are recorded using the acquisition method of accounting and their results are included from the date of acquisition or incorporation. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value as at the acquisition date. Acquisition related costs are expenses as incurred and included in administrative expenses.

Investments in subsidiaries are carried at cost less any provision for impairment in the financial statement of the company. Any impairment is recognised in the Statement of Comprehensive Income.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

Financial assets

Recognition and classification

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value net of transaction costs.

Loans

Loans made to borrowers by the group that have fixed or determinable repayment terms and that are not quoted in an active market are classified as 'Loans and receivables' and are measured at amortised cost, less any impairment.

Impairment of financial assets

At the year end, the group assesses whether there is any objective evidence that any of the loans made by the group have been impaired. A loan is deemed to be impaired if, and only if, there is objective evidence that one or more events have occurred since the initial recognition of the loan that have an impact on the estimated future cash flows of the loan and the impact can be reliably measured.

Evidence of impairment includes indications that the borrower is experiencing significant financial difficulty; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the loan's original effective interest rate. The impairment loss is recognised in statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised by the company only when the company's contractual rights to the cash flows from the asset expire, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

Creditors

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

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Administrative expenses

Expenses incurred have been 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. 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 group or 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.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

Foreign currency translation

The functional and the presentational currency of the group and the company is Pounds Sterling.

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to the statement of comprehensive income.

Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the group's and 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 financial statements.

2 Financial risk management considerations

(i) Interest rate risk

The group does not have any significant direct exposure to variances in interest rates.

The group makes fixed rate loans to borrowers that are financed by the issuance of fixed rate borrowings. Both the loans made and the borrowings issued are measured at amortised cost. As a result, any future interest rate variances will have no direct impact on future cash flows (via interest payments or receipts) or the carrying value of the assets or liabilities held by the group.

The group's only asset that is subject to variable interest rates is the cash held at bank. None of the group's other assets and liabilities are interest bearing. As a result, a 1% increase or decrease in interest rates would not have a material impact on the net assets or profit of the group.

(ii) Credit risk

The group's maximum exposure to credit risk represents the aggregate carrying value of the loans held at amortised cost (see note 11), debtors (see note 12) and cash balances held by the group at 30 June 2018.

The credit risk associated with loans and associated accrued interest entitlements is managed through on-going due diligence that is performed to assess the ability of investees to meet their obligations as they fall due for payment. In addition, all loans are collateralised with the aggregate value of the collateral held by the group being £11,819,748 (2017: £2,053,807); representing a Loan to Value ratio of 64% (2017: 53%). This mitigates the risk that the group will lose the capital value of the loan in the event that an investee defaults.

The group holds cash balances only with reputable credit organisations with a strong credit rating.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

(iii) Liquidity risk

Liquidity risk arises from the group's management of working capital. It is the risk that the group may encounter difficulties in meeting its financial obligations as they fall due.

The group's principal liquidity risk relates to having insufficient capital to make repayments of interest or capital to lenders as amounts fall due for payment. The table below shows the repayment profile of both interest and capital balances for the group's existing borrowing portfolio:

	Less than 1 year	More than 1 year	Total
Interest payable on all borrowings in existence to maturity	327,984	255,824	583,808
Repayment of capital on all borrowings in existence to maturity	2,166,200	3,839,876	6,006,076
Total	2,494,184	4,095,700	6,589,884

The group's other creditors are repayable on demand at balances that approximate to the carrying values shown in Note 14.

(iv) Currency risk

The group has no direct exposure to foreign currency risk as all loans made and the borrowings issued by the group are denominated in sterling.

(v) Capital risk management

The group is not subject to any externally imposed capital requirements with the exception of those imposed by the FCA.

The capital requirements are monitored by the directors on an ongoing basis to ensure that the group retains sufficient capital to meet these minimum requirements.

	Year ended 30 June 2018 £	18 months ended 30 June 2017 £ (Restated)
3 Analysis of turnover		
Loan interest receivable	2,263,732	3,390,460
Arrangement Fees	346,210	227,155
Other Fees	206,327	167,397
Other Income	10,903	2,526
	2,827,172	3,787,538

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

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

	Year ended 30 June 2018 £	18 months ended 30 June 2017 £ (Restated)
4 Operating (loss) / profit		

The operating (loss) / profit of the group is stated after charging:

Impairment of financial assets	340,281	-
Depreciation	84,521	65,302
Amortisation of intangibles	335,651	-
Auditors' remuneration for audit services - Company	17,000	5,700
Auditors' remuneration for audit services - Subsidiaries	38,000	55,610

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

	Year ended 30 June 2018 £	18 months ended 30 June 2017 £ (Restated)
5 Staff costs		

Wages and salaries	715,637	959,664
Social security costs	57,052	57,710
Other pension costs	2,714	-
	<u>775,403</u>	<u>1,017,374</u>

Average number of employees during the year

	Number	Number
Administration	33	43
Sales	6	9
	<u>39</u>	<u>52</u>

	Year ended 30 June 2018 £	18 months ended 30 June 2017 £ (Restated)
6 Interest payable		

Bank charges and similar expenses	<u>605</u>	<u>108</u>
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Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

	Year ended 30 June 2018 £	18 months ended 30 June 2017 £
7 Taxation		
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	-	54,502
Adjustments in respect of previous periods	(105,831)	(3,969)
	<u>(105,831)</u>	<u>50,533</u>
Deferred tax:		
Origination and reversal of timing differences	(30,712)	31,566
Effect of increased tax rate on opening liability	-	-
	<u>(30,712)</u>	<u>31,566</u>
 Tax (credit) / charge on (loss)/profit on ordinary activities	 <u>(136,543)</u>	 <u>82,099</u>

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 £	18 months ended 30 June 2017 £
(Loss)/profit on ordinary activities before tax	<u>(794,796)</u>	<u>118,132</u>
Standard rate of corporation tax in the UK	19%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(151,011)	23,626
Effects of:		
Expenses not deductible for tax purposes	138,027	62,442
Adjustments to tax charge in respect of previous periods	(105,831)	(3,969)
Fixed asset timing differences	<u>(17,728)</u>	<u>-</u>
Total tax charge for period	<u>(136,543)</u>	<u>82,099</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.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

8 Intangible fixed assets

£

Group

		Goodwill £	Intangible fixed cost £	Total £
Cost				
At 1 July 2017	(Restated)	32,473	705,395	737,868
Additions		60,559	1,712,591	1,773,150
At 30 June 2018		<u>93,032</u>	<u>2,417,986</u>	<u>2,511,018</u>
Amortisation				
At 1 July 2017		-	-	-
Provided during the year		9,303	326,348	335,651
At 30 June 2018		<u>9,303</u>	<u>326,348</u>	<u>335,651</u>
Carrying amount				
At 30 June 2018		<u>83,729</u>	<u>2,091,638</u>	<u>2,175,367</u>
At 30 June 2017		<u>32,473</u>	<u>705,395</u>	<u>737,868</u>

Company

Cost				
At 1 July 2017		32,473	-	32,473
Additions		60,559	-	60,559
At 30 June 2018		<u>93,032</u>	<u>-</u>	<u>93,032</u>
Amortisation				
At 1 July 2017		-	-	-
Provided during the year		9,303	-	9,303
At 30 June 2018		<u>9,303</u>	<u>-</u>	<u>9,303</u>
Carrying amount				
At 30 June 2018		<u>83,729</u>	<u>-</u>	<u>83,729</u>
At 30 June 2017		<u>32,473</u>	<u>-</u>	<u>32,473</u>

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

9 Tangible fixed assets

Group	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 July 2017	355,023	59,673	414,696
Additions	5,100	33,441	38,541
At 30 June 2018	<u>360,123</u>	<u>93,114</u>	<u>453,237</u>
Depreciation			
At 1 July 2017	48,095	35,789	83,884
Charge for the year	67,480	17,041	84,521
At 30 June 2018	<u>115,575</u>	<u>52,830</u>	<u>168,405</u>
Carrying amount			
At 30 June 2018	<u>244,548</u>	<u>40,284</u>	<u>284,832</u>
At 30 June 2017	<u>306,928</u>	<u>23,884</u>	<u>330,812</u>

The company had no tangible fixed assets at 30 June 2018 or at 30 June 2017.

10 Investments

Company	Investments in subsidiary undertakings £
Cost (Restated)	
At 1 July 2017	3,866,693
Additions	<u>3,100,200</u>
At 30 June 2018	<u>6,966,893</u>

The company holds 20% or more of the share capital of the following companies:

Company	Shares held		Capital and reserves	Profit (loss) for the year
	Class	%	£	£
Kuflink Bridging Ltd	Ordinary	100	2,949,261	(360,090)
Kuflink Ltd	Ordinary	100	1,956,237	(243,305)
Kuflink Security Trustees Ltd	Ordinary	100	(1,535)	(1,466)
Kuflink Mini Bond Ltd	Ordinary	100	(1,002)	(1,003)
Kuflink Home Loans Limited	Ordinary	100	75	(25)
Kuflink Finance NO.1 Ltd	Ordinary	100	(314)	(315)

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

11 Loans at amortised cost

Group		Current 2018 £	Non-current 2018 £	Total 2018 £
Opening par value of loans	(Restated)	8,050,922	2,457,229	10,508,151
Additions		1,733,477	5,240,463	6,973,940
Repaid loans		(8,442,994)	(1,110,089)	(9,553,083)
Loans written off		(390,281)	-	(390,281)
Transfers from non-current to current portion		1,137,865	(1,137,865)	-
Closing par value of loans		2,088,989	5,449,738	7,538,727
Unamortised costs		(503,819)	(4,771)	(508,590)
Carrying value at 30 June 2018		1,585,170	5,444,967	7,030,137
Carrying value at 30 June 2017		8,050,922	2,457,229	10,508,151

The company had no loans at amortised cost at 30 June 2018 or at 30 June 2017.

12 Debtors

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts owed by group undertakings	-	-	2,537	169,998
Tax receivable	93,545	-	93,545	-
Other debtors	73,632	19,247	72,550	-
Prepayments and accrued income	131,884	153,084	-	-
	299,061	172,331	168,632	169,998

13 Financial liabilities held at amortised cost

Group	Current 2018 £	Non-current 2018 £	Total 2018 £
Opening par value of loans	4,591,514	3,770,512	8,362,026
Additions	4,692,177	2,898,667	7,590,844
Repaid loans	(6,025,142)	(3,921,652)	(9,946,794)
Transfers from non-current to current portion	(1,092,349)	1,092,349	-
Carrying value at 30 June 2018	2,166,200	3,839,876	6,006,076
Carrying value at 30 June 2017	4,591,514	3,770,512	8,362,026

The company had no financial liabilities held at amortised cost at 30 June 2018 or at 30 June 2017.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

14 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
		(Restated)		
Trade creditors	477,511	142,604	-	-
Amounts owed to group undertakings	-	-	983,181	157,576
Corporation tax	-	54,502	-	-
Other taxes and social security costs	43,057	36,387	-	-
Other creditors	-	-	-	11,013
Accruals and deferred income	78,838	132,182	18,000	-
	<u>599,406</u>	<u>365,675</u>	<u>1,001,181</u>	<u>168,589</u>

15 Deferred taxation

	2018	2017
	£	£
Accelerated capital allowances	<u>5,943</u>	<u>36,655</u>
	2018	2017
	£	£
At 1 July	36,655	5,089
(Credited)/charged to the profit and loss account	(30,712)	31,566
At 30 June	<u>5,943</u>	<u>36,655</u>

16 Share capital

	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid:				
Ordinary shares	£0.001 each	51,603,214	51,603	51,581
Growth shares	£0.001 each	323,472	323	-
			<u>51,926</u>	<u>51,581</u>
	Nominal value	Number	Amount £	
Shares issued during the period:				
Ordinary shares	£0.001 each	22,232	22	
Growth shares	£0.001 each	323,472	323	
			<u>345</u>	

During the year all the 50,000 Deferred shares of nominal value £1 that had been issued by the company, were sub-divided into 1000 ordinary shares each with the nominal value of £0.001.

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

17 Share premium	2018	2017
	£	£
At 1 July	3,939,909	3,939,909
Shares issued	669,615	-
At 30 June	<u>4,609,524</u>	<u>3,939,909</u>

18 Profit and loss account	2018	2017
	£	£
At 1 July	51,218	15,185
(Loss)/profit for the financial year	(658,253)	36,033
At 30 June	<u>(607,035)</u>	<u>51,218</u>

19 Financial commitments

As at 30 June 2018, the group had total future minimum lease payments under non-cancellable operating leases with amounts falling due to payable as follows:

Group	Land and buildings 2018	Land and buildings 2017	Other 2018	Other 2017
	£	£	£	£
Amounts Falling due within one year	<u>48,000</u>	<u>48,000</u>	<u>-</u>	<u>-</u>

20 Presentation currency

The financial statements of the group and the company are presented in Sterling.

21 Legal form of entity and country of incorporation

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

22 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 Group Plc
Notes to the Accounts
for the year ended 30 June 2018

23 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.

Consolidated Statement of Comprehensive Income

Turnover	26,894
Cost of sales	355,992
Gross profit	382,886
Administrative expenses	(237,454)
Operating (loss)/profit	145,432
Interest receivable	(120)
(Loss)/profit on ordinary activities before taxation	145,312
Tax on (loss)/profit on ordinary activities	-
(Loss)/profit for the financial year	145,312

Consolidated Statement of Financial Position

Fixed assets

Intangible assets	145,312
Loans held at amortised cost falling due after more than one year	<u>(2,457,229)</u> (2,311,917)

Current assets

Loans held at amortised cost	(8,050,922)
Debtors	<u>12,561,958</u>
	4,511,036

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

Financial liabilities held at amortised cost	(2,419,482)
Creditors	<u>365,675</u>
	(2,053,807)

Net current (liabilities)/assets	<u>2,457,229</u>
Net assets	<u><u>145,312</u></u>
Capital and reserves	
Profit and loss account	<u>145,312</u>
Total equity	<u><u>145,312</u></u>

Kuflink Group Plc
Notes to the Accounts
for the year ended 30 June 2018

23 Correction of prior period errors (continued)

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 statement.

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.