# WeCollect (London) Limited

## Annual Report and Financial Statements

## For the year ended 31 December 2021

Company Registration No. 09684132 (England and Wales)

# WeCollect (London) Limited

## Company Information

| | |
|---|---|
| **Directors** | R.A. Bach<br>Y.K.A. Chiu |
| **Secretary** | Cornhill Secretaries Limited |
| **Company number** | 09684132 |
| **Registered office** | 5 Market Yard Mews<br>194-204 Bermondsey Street<br>London<br>SE1 3TQ |
| **Auditor** | Moore Kingston Smith LLP<br>6th Floor<br>9 Appold Street<br>London<br>EC2A 2AP |
| **Business address** | 18 King William Street<br>London<br>EC4N 7BP |

# WeCollect (London) Limited

## Contents

# WeCollect (London) Limited

## Strategic Report

## For the year ended 31 December 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

**Business review**

During the year 2021 the company did not commence trading.

**Review of current position, future developments and performance of the company's business.**

On 16 February 2021 the FCA granted the company authorisation to carry on electronic money activities under the Electronic Money Regulations 2011.

Since receiving authorisation, the company has spent the year building up the infrastructure and extending marketing initiatives to prepare the company to commence operations. The marketing opportunities originally envisaged by the company have been impacted by the worldwide slowdown in the world economy and the continuing impact of Covid on consumer confidence.

The first half of 2022 has been spent re-examining the business plan and the operational issues necessary to commence trading. As part of this review, several approaches were received to purchase the business. These discussions are ongoing and may or may not come to fruition.

On 19 July 2022, the holding company subscribed for 350,000 additional ordinary shares at £1 each by way of new shares in the company.

**Principal risks and uncertainties**

The principal risk that the company is exposed to, given its limited trading, is liquidity risk. Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. The company has procedures with the objective of minimising any losses that may arise and ensuring current assets are highly liquid. The directors do not recommend the payment of a dividend.

**Companies Act 2006 Section 172 Reporting**

Under Section 172 of the Companies Act 2006, the board has a duty to promote the success of the company for the benefit of its members as a whole, having regard to the interests of other stakeholders in the company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the company.

The board is very conscious of these wider responsibilities in the way it promotes the company's culture and ensures, as part of its regular oversight that the integrity of the company's affairs is foremost in the way the activities are managed and promoted. This includes open engagement with regulators and being alert to issues that might damage the company's standing in the way it operates. Regulatory oversight is an integral part of the group's business. Regulatory compliance procedures are constantly reviewed and enhanced, with a culture of compliance embedded within the business.

The Board is fully engaged in both oversight and the general strategic direction of the company which is set out in the business plan. During the year the board's main strategic discussions focused around preparing the company to commence operations. The Board remain confident in the prospects of the business going forward. Future success and value creation will be partly based on product extension enabled by further development of the current technology platform, which will enhance customer acquisition rates once the business commences.

**Financial key performance indicators**

The company does not consider it appropriate to detail key financial performance indicators until such time as the company commences business. Following the company's authorisation on 16 February 2021 to carry on electronic money activities, the company's minimum capital requirement was €350,000. At the date of the balance sheet, the company's total equity was £68,910. The capital deficit has been rectified by the issuing of £350,000 new shares.

On behalf of the board

R.A. Bach
**Director**
25 July 2022

The directors present their annual report and financial statements for the year ended 31 December 2021.

**Principal activities**
During the year 2021 the company did not commence trading.

**Directors**
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R.A. Bach
Y.K.A. Chiu

**Results and dividends**
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

**Auditor**
The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Statement of directors' responsibilities**
The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

R.A. Bach
**Director**
25 July 2022

# Independent Auditor's Report

## To the Members of WeCollect (London) Limited

**Opinion**

We have audited the financial statements of WeCollect (London) Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including 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 state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which indicates further working capital may be required if the company's strategic plans change and this may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 1.2 these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**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.

**Thomas Moore (Senior Statutory Auditor)**
**for and on behalf of Moore Kingston Smith LLP**

25 July 2022

**Chartered Accountants**
**Statutory Auditor**

6th Floor
9 Appold Street
London
EC2A 2AP

# WeCollect (London) Limited

## Profit and Loss Account

For the year ended 31 December 2021

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| Administrative expenses | | (78,543) | (30,190) |
| **Loss before taxation** | | (78,543) | (30,190) |
| Tax on loss | **5** | - | - |
| **Loss for the financial year** | | (78,543) | (30,190) |

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

# WeCollect (London) Limited

## Balance Sheet

As at 31 December 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Debtors | **6** | 6,596 | | 1,000 | |
| Cash at bank and in hand | | 249,988 | | 315,000 | |
| | | 256,584 | | 316,000 | |
| **Creditors: amounts falling due within one year** | **7** | (187,674) | | (168,547) | |
| **Net current assets** | | | 68,910 | | 147,453 |
| **Capital and reserves** | | | | | |
| Called up share capital | **8** | | 326,000 | | 326,000 |
| Profit and loss reserves | | | (257,090) | | (178,547) |
| **Total equity** | | | 68,910 | | 147,453 |

The financial statements were approved by the board of directors and authorised for issue on 25 July 2022 and are signed on its behalf by:

R.A. Bach
**Director**

**Company Registration No. 09684132**

WeCollect (London) Limited

## Statement of Changes in Equity

For the year ended 31 December 2021

| | Notes | Share capital | Profit and loss reserves | Total |
|---|---|---|---|---|
| | | £ | £ | £ |
| **Balance at 1 January 2020** | | 1,000 | (148,357) | (147,357) |
| **Year ended 31 December 2020:** | | | | |
| Loss and total comprehensive income for the year | | - | (30,190) | (30,190) |
| Issue of share capital | 8 | 325,000 | - | 325,000 |
| **Balance at 31 December 2020** | | 326,000 | (178,547) | 147,453 |
| **Year ended 31 December 2021:** | | | | |
| Loss and total comprehensive income for the year | | - | (78,543) | (78,543) |
| **Balance at 31 December 2021** | | 326,000 | (257,090) | 68,910 |

# WeCollect (London) Limited

## Statement of Cash Flows

For the year ended 31 December 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash absorbed by operations | **12** | | (65,012) | | (201,757) |
| **Financing activities** | | | | | |
| Proceeds from issue of shares | | - | | 325,000 | |
| **Net cash (used in)/generated from financing activities** | | | - | | 325,000 |
| **Net (decrease)/increase in cash and cash equivalents** | | | (65,012) | | 123,243 |
| Cash and cash equivalents at beginning of year | | | 315,000 | | 179,992 |
| Effect of foreign exchange rates | | | - | | 11,765 |
| **Cash and cash equivalents at end of year** | | | 249,988 | | 315,000 |

## 1 Accounting policies

**Company information**

WeCollect (London) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ.

### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### 1.2 Going concern

At the balance sheet date, the company had net assets of £68,910 (2020 - £147,353) and recorded a loss of £78,543 (2020 - loss of £30,190). The company has not started trading and successfully obtained e-money authorisation from the FCA in February 2021, which will enable it to carry on electronic money activities under the Electronic Money Regulations 2011. The company expects to commence trading when its systems infrastructure and marketing capabilities are ready. The company issued £350,000 of new shares in July 2022 to ensure that its minimum capital requirement, as set by the Financial Conduct Authority, is maintained. Following this share allotment the company had cash of £547,000, which will provide sufficient cash resources to cover its liabilities for at least 12 months following the date that the audit report is signed, assuming that the company does not commence trading. Currently, the company only requires £110,000 per annum to cover its expenditure. If the company does commence trading, additional finance will be required. Under the current ownership, trading will not commence until sufficient finance has been raised. The directors expect potential new owners to be equally cautious and to only commence trading when finance is in place. On this basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

### 1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### 1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1 Accounting policies** **(Continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**1 Accounting policies** **(Continued)**

***Basic financial liabilities***
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.5 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.6 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors do not believe that there are any judgements or key sources of estimation uncertainty given the relative simplicity of the company's operations.

## 3 Operating loss

| Operating loss for the year is stated after charging/(crediting): | **2021** **£** | **2020** **£** |
|---|---|---|
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | - | (11,765) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 10,500 | 9,000 |

## 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2020 - 0)

## 5 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

| | **2021** **£** | **2020** **£** |
|---|---|---|
| Loss before taxation | (78,543) | (30,190) |
| *Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)* | (14,923) | (5,736) |
| Unutilised tax losses carried forward | 14,923 | 5,736 |
| Taxation charge for the year | - | - |

### 5 Taxation (Continued)

The company has £185,450 of losses which can be offset against future trading profits (2020 - £106,907). A deferred tax asset of £46,363 (2020 - £20,312) has not been recognised due to the current uncertainty of future profits.

### 6 Debtors

| | 2021 | 2020 |
|---|---|---|
| **Amounts falling due within one year:** | **£** | **£** |
| Other debtors | 6,000 | 1,000 |
| Prepayments and accrued income | 596 | - |
| | 6,596 | 1,000 |

### 7 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---|---|---|
| | **£** | **£** |
| Amounts owed to group undertakings | 175,174 | 157,547 |
| Accruals and deferred income | 12,500 | 11,000 |
| | 187,674 | 168,547 |

### 8 Share capital

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| **Ordinary share capital** | **Number** | **Number** | **£** | **£** |
| **Issued and fully paid** | | | | |
| Ordinary shares of £1 each | 326,000 | 326,000 | 326,000 | 326,000 |

### 9 Events after the reporting date

On 19 July 2022 the company allotted 350,000 ordinary shares of £1 each at par for cash.

### 10 Related party transactions

The company has opted to take advantage of the FRS 102 exemption from the disclosure of certain intra-group transactions as a 100% owned subsidiary.

### 11 Ultimate controlling party

The immediate parent company is WeCollect Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate parent company is Henyep Development Holdings Limited, a company incorporated in the British Virgin Islands. In the opinion of the directors, the ultimate controlling party is Mr Sheen Charm Chiu.

## 12 Cash absorbed by operations

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Loss for the year after tax | (78,543) | (30,190) |
| **Adjustments for:** | | |
| Foreign exchange gains on cash equivalents | - | (11,765) |
| **Movements in working capital:** | | |
| Increase in debtors | (5,596) | - |
| Increase/(decrease) in creditors | 19,127 | (159,802) |
| **Cash absorbed by operations** | (65,012) | (201,757) |

## 13 Analysis of changes in net funds

| | 1 January 2021 | Cash flows | 31 December 2021 |
|---|---|---|---|
| | £ | £ | £ |
| Cash at bank and in hand | 315,000 | (65,012) | 249,988 |