

CREDIT KUDOS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020



CREDIT KUDOS LIMITED
REGISTERED NUMBER: 09873335

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	33,980	23,150
		<u>33,980</u>	<u>23,150</u>
Current assets			
Debtors: amounts falling due within one year	5	633,713	211,948
Cash at bank and in hand	6	3,093,208	429,588
		<u>3,726,921</u>	<u>641,536</u>
Creditors: amounts falling due within one year	7	(273,662)	(138,660)
Net current assets		<u>3,453,259</u>	<u>502,876</u>
Total assets less current liabilities		<u>3,487,239</u>	<u>526,026</u>
Net assets		<u><u>3,487,239</u></u>	<u><u>526,026</u></u>
Capital and reserves			
Called up share capital	9	451	327
Share premium account		7,609,742	2,690,601
Other reserves		408,142	-
Profit and loss account		(4,531,096)	(2,164,902)
		<u>3,487,239</u>	<u>526,026</u>

CREDIT KUDOS LIMITED
REGISTERED NUMBER: 09873335

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
F W Kelly
Director

Date: 14 / 09 / 2021

The notes on pages 5 to 12 form part of these financial statements.

CREDIT KUDOS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020 (as previously stated)	327	2,690,601	-	(2,081,078)	609,850
Prior year adjustment	-	-	-	(83,824)	(83,824)
At 1 January 2020 (as restated)	327	2,690,601	-	(2,164,902)	526,026
Comprehensive income for the year					
Loss for the year	-	-	-	(2,366,194)	(2,366,194)
Total comprehensive income for the year	-	-	-	(2,366,194)	(2,366,194)
Shares issued during the year	124	4,919,141	-	-	4,919,265
Share option charge	-	-	408,142	-	408,142
At 31 December 2020	451	7,609,742	408,142	(4,531,096)	3,487,239

The notes on pages 5 to 12 form part of these financial statements.

CREDIT KUDOS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019 (as previously stated)	234	539,930	(735,161)	(194,997)
Prior year adjustment	-	-	5,031	5,031
At 1 January 2019 (as restated)	234	539,930	(730,130)	(189,966)
Comprehensive income for the year				
Loss for the year	-	-	(1,434,772)	(1,434,772)
Total comprehensive income for the year	-	-	(1,434,772)	(1,434,772)
Shares issued during the year	93	2,150,671	-	2,150,764
At 31 December 2019	327	2,690,601	(2,164,902)	526,026

The notes on pages 5 to 12 form part of these financial statements.

CREDIT KUDOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Credit Kudos Limited is a private limited by shares company incorporated in England and Wales. Its registered company number is 09873335 and registered address is WeWork, 1 Poultry, London, EC2R 8EJ. The company's principal activity during the year continued to be the development of a platform that uses borrower-contributed financial information to measure creditworthiness and affordability for applications in consumer lending.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The company has continued to be loss making during the year.

The directors have assessed the going concern position based on trading budgets and cash flow forecasts for the coming 12 months and believe based on these projections and a successful fundraise that the company will have the adequate resources to continue in operational existence for the foreseeable future.

2.3 Revenue

Revenue from credit checks are recognised at the point the service is provided.

Revenue from advisory is recognised over the period the service is supplied.

2.4 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

CREDIT KUDOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

CREDIT KUDOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

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

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

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- over 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDIT KUDOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Cash and cash equivalents

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

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

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

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

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

2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	33	18
Directors	2	2
	<u>35</u>	<u>20</u>

CREDIT KUDOS LIMITED

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

4. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2020	32,471
Additions	28,663
At 31 December 2020	<u>61,134</u>
Depreciation	
At 1 January 2020	9,321
Charge for the year on owned assets	17,833
At 31 December 2020	<u>27,154</u>
Net book value	
At 31 December 2020	<u><u>33,980</u></u>
At 31 December 2019	<u><u>23,150</u></u>

5. Debtors

	2020 £	2019 £
Trade debtors	138,653	162,278
Other debtors	406,595	32,435
Prepayments and accrued income	87,900	17,235
Deferred taxation	565	-
	<u><u>633,713</u></u>	<u><u>211,948</u></u>

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u><u>3,093,208</u></u>	<u><u>429,588</u></u>

CREDIT KUDOS LIMITED

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

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	25,490	7,194
Other taxation and social security	102,276	43,370
Other creditors	22,488	27,816
Accruals and deferred income	123,408	60,280
	<u>273,662</u>	<u>138,660</u>

8. Deferred taxation

	2020 £
Charged to profit or loss	565
At end of year	<u><u>565</u></u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	565	-
	<u>565</u>	<u>-</u>

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
10,923,985 (2019 - 10,817,345) A Ordinary shares of £0.00001 each	109	109
5,433,633 (2019 - 5,433,633) B Ordinary shares of £0.00001 each	54	54
1,925,465 (2019 -) C Ordinary shares of £0.00001 each	20	-
10,327,619 (2019 -) C Preference shares of £0.00001 each	103	-
16,506,640 (2019 - 16,400,000) Ordinary shares of £0.00001 each	165	164
	<u>451</u>	<u>327</u>

CREDIT KUDOS LIMITED

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

9. Share capital (continued)

During the year the company issued:

106,640 Ordinary £0.00001 shares at par.
1,925,465 C Ordinary £0.00001 shares at £0.4141 per share
10,327,619 C Preference £0.00001 shares at £0.4141 per share.

All shares rank pari passu in respect to attendance of meeting, voting rights and dividend.

Ordinary, A Ordinary, and B Ordinary shares rank pari passu in respect to distribution on windup. C Ordinary and C Preference shares are entitled to distribution on windup ahead of Ordinary, A Ordinary, and B Ordinary shares.

10. Share based payments

During the year the company made an award of 4,526,988 share options to its employees upon commencement of employment and the vesting period is 4 years. The share price at grant was £0.23082 / £0.4141 and the share price was the nominal value of the share.

The options are exercisable for a maximum period of 10 years after grant. At year end nil options were exercisable.

	Weighted average exercise price (pence) 2020	Number 2020	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>
Granted during the year	0.00001	4,526,988		-
Forfeited during the year	0.00001	(81,930)		-
Exercised during the year	0.00001	(106,640)		-
Outstanding at the end of the year	0.00001	4,338,418		-

	2020 £	2019 £
Equity-settled schemes	408,142	-
	408,142	-

CREDIT KUDOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Prior year adjustment

Management identified a number of historical reconciliation differences during the year of which several items related to the prior year. Management have decided to correct differences which resulted an additional £88,855 loss being recorded in the period to 31 December 2019 and £5,031 increase in the profit and loss account carried forward from 31 December 2018.

12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At the balance sheet date, accrued contributions amounted to £13,257 (2019 - £7,203).

13. Post balance sheet events

Post year end the company granted options granted 3,374,178 options to its employees including directors.

14. Controlling party

In the opinion of the directors they believe there is no one controlling party due to the spread of the shareholdings of the company.

15. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 14 September 2021 by Ian Weekes (Senior statutory auditor) on behalf of Crowe U.K. LLP.