

Registered number: 11483187

BETR TECHNOLOGY LTD

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 JULY 2023



BETR TECHNOLOGY LTD
REGISTERED NUMBER: 11483187

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	46	33,302
Tangible assets	5	9,384	17,042
Investments	6	1	1
		<u>9,431</u>	<u>50,345</u>
Current assets			
Debtors: amounts falling due after more than one year	7	-	353,384
Debtors: amounts falling due within one year	7	2,357,483	2,519,948
Cash at bank and in hand	8	229,032	1,232,614
		<u>2,586,515</u>	<u>4,105,946</u>
Creditors: amounts falling due within one year	9	(154,339)	(325,545)
Net current assets		<u>2,432,176</u>	<u>3,780,401</u>
Net assets		<u><u>2,441,607</u></u>	<u><u>3,830,746</u></u>

BETR TECHNOLOGY LTD
REGISTERED NUMBER: 11483187

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital		3	3
Share premium account	10	12,191,191	10,327,529
Share options reserve	10	795,845	561,678
Profit and loss account	10	(10,545,432)	(7,058,464)
		<u>2,441,607</u>	<u>3,830,746</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of 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:

T R Olszewski
Director



Date: 29 / 01 / 2024

The notes on pages 4 to 11 form part of these financial statements.

BETR TECHNOLOGY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital £	Share premium account £	Share options reserve £	Profit and loss account £	Total equity £
At 1 August 2021	3	6,872,044	473,206	(3,648,108)	3,697,145
Comprehensive income for the year					
Loss for the year				(3,410,356)	(3,410,356)
Contributions by and distributions to owners					
Shares issued during the year		3,455,485			3,455,485
Share options issued			88,472		88,472
At 1 August 2022	3	10,327,529	561,678	(7,058,464)	3,830,746
Comprehensive income for the year					
Loss for the year				(3,486,968)	(3,486,968)
Contributions by and distributions to owners					
Shares issued during the year		1,863,662			1,863,662
Share options issued			234,167		234,167
At 31 July 2022	3	12,191,191	795,845	(10,545,432)	2,441,607

The notes on pages 4 to 11 form part of these financial statements.

BETR TECHNOLOGY LTD

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

1. General information

BETR Technology Ltd is a private limited company (limited by shares) incorporated in England and Wales.

The address of the registered office is Huckletree Soho Koyo Loans, Ingestre Court, Ingestre Place, London, W1F 0JL.

The principal activity of the company is the provision of financial loans and is authorised and regulated by the Financial Conduct Authority.

The average monthly number of employees, including directors, during the year was 15 (2022 - 13).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

In their assessment of going concern the directors have considered the current impact on the business as a result of the COVID19 virus. This has not had a significant, immediate impact on the company's operations but the directors are aware that if it were to deteriorate again then this may change. The directors also considered the rising interest rate. This has had a significant, immediate impact on the company's operations. In forming the overall assessment, the directors have had regard to current liquidity and working capital requirements of the company as well as access to additional finance via the issue of equity or loans, from both existing and new providers. The directors are aware that the business is unable to raise the amounts required to fund the continuing operations of the company in the appropriate timeframe. As a result the directors intend to liquidate the company.

Having regard to the above, the directors believe it appropriate to prepare the financial statements on a basis other than going concern.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

2. Accounting policies (continued)

2.4 Revenue

Revenue represents interest, commissions and fees earned in respect of loan balances due from customers during the year. Revenue is recognised in the statement of comprehensive income net of directly attributable costs incurred through customer origination.

2.5 Operating leases: the Company as lessee

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

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.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

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

2.8 Borrowing costs

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

2.9 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.

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

2. Accounting policies (continued)

2.10 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.

2.11 Taxation

Tax is recognised in profit or loss.

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.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	5 years
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2.13 Tangible fixed assets

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

BETR TECHNOLOGY LTD

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Office equipment - 3 years

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

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

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 Creditors

Short term creditors are measured at the transaction price.

3. Other operating income

	2023	2022
	£	£
Loss on sale of loans	(133,237)	-
Research and development tax credit	212,130	-
	<u>78,893</u>	<u>-</u>

BETR TECHNOLOGY LTD

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

4. Intangible assets

	Development £
Cost	
At 1 August 2022	58,676
At 31 July 2023	<u>58,676</u>
Amortisation	
At 1 August 2022	25,374
Charge for the year on owned assets	33,256
At 31 July 2023	<u>58,630</u>
Net book value	
At 31 July 2023	<u>46</u>
At 31 July 2022	<u>33,302</u>

BETR TECHNOLOGY LTD

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

5. Tangible fixed assets

	Office equipment £
Cost	
At 1 August 2022	34,835
Additions	2,099
At 31 July 2023	<u>36,934</u>
Depreciation	
At 1 August 2022	17,793
Charge for the year on owned assets	9,756
At 31 July 2023	<u>27,550</u>
Net book value	
At 31 July 2023	<u>9,384</u>
At 31 July 2022	<u>17,042</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 August 2022	1
At 31 July 2023	<u>1</u>

BETR TECHNOLOGY LTD

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

7. Debtors

	2023 £	2022 £
Due after more than one year		
Loans advanced to customers	-	353,384
	<u> </u>	<u> </u>
	2023 £	2022 £
Due within one year		
Loans advanced to customers	-	58,158
Amounts owed by group undertakings	2,749,472	2,362,704
Other debtors	622	3,381
Prepayments and accrued income	16,306	95,705
	<u>2,766,400</u>	<u>2,519,948</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	229,032	1,232,614
	<u> </u>	<u> </u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	260	90,619
Other taxation and social security	58,659	76,791
Other creditors	95,419	52,088
Accruals	1	106,047
	<u>154,339</u>	<u>325,545</u>

The two charges which were registered on 19 August 2021 and 30 September 2022 by way of a fixed charge, floating charge and a negative pledge over the Company's assets were partially satisfied on 6 September and remain outstanding at the year end.

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

10. Reserves

Share options reserve

The Company has issued equity settled share options to employees since 2018. The exercise price of the options is equal to the estimated market value of the shares at the date of the grant. An expense is recognised based on fair value, with the fair value determined by using the Black Scholes model. The options all vest over 4 years and lapse after 10 years.

In total, 48,156 (2022 - 41,202) share options have been awarded since 2018 of which 38,747 (2022 - 33,404) have vested as at 31 July 2023 and 4,399 (2022 - 4,200) have been sacrificed. As a result, 5,010 (2021 - 3,598) share options are yet to vest. No options have been exercised during the year end and the total charge to statements of comprehensive income is £234,167 (2022 - £88,472).

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £10,310.94 (2022 - £22,147). Contributions totaling £1,969 (2022 - £10,600) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 "Related Party Disclosures" from disclosing related party transactions within a 100% owned group.

13. Post balance sheet events

In July 2023, the company sold full title to the loans over to its subsidiary Koyo Finance 1 Ltd ("KF1") which KF1 already held beneficial title as well as loans the company held on its own book. Following an agreement reached between KF1 and Capquest Debt Management ("Capquest"), Capquest replaced the company to assume servicing of the portfolio of loans. Both of these activities were in anticipation of a transfer of ownership of KF1 from the company to the lender group as part of the settlement of the outstanding debts of the company and KF1. This transfer occurred in September 2023 and resulted in a change of control of the KF1.

The company stopped trading in August 2023. It will go into liquidation process within 12 months.

14. Controlling party

The directors do not consider there to be an ultimate controlling party.