

Company Registration No. 07189664 (England and Wales)

**WESWAP.COM LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# WESWAP.COM LIMITED

## CONTENTS

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	Page
Balance sheet	1
Notes to the financial statements	2 - 12

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# WESWAP.COM LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	4		50,046		27,964
Investments	5		1		1
			<u>50,047</u>		<u>27,965</u>
<b>Current assets</b>					
Debtors	8	789,124		293,511	
Cash at bank and in hand		541,996		1,100,766	
		<u>1,431,120</u>		<u>1,394,277</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(7,357,961)</u>		<u>(5,054,644)</u>	
<b>Net current liabilities</b>			<u>(5,926,841)</u>		<u>(3,660,367)</u>
<b>Total assets less current liabilities</b>			<u><u>(5,876,794)</u></u>		<u><u>(3,632,402)</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		70,061		64,583
Share premium account			24,092,765		21,482,499
Share option reserve			61,703		236,813
Other reserves			226,181		-
Profit and loss reserves			<u>(30,327,504)</u>		<u>(25,416,297)</u>
<b>Total equity</b>			<u><u>(5,876,794)</u></u>		<u><u>(3,632,402)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 20 November 2020 and are signed on its behalf by:

Mr M J Holland  
Director

Company Registration No. 07189664

# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Weswap.com Limited is a private company limited by shares incorporated in England and Wales. The registered office is 85 Great Portland Street, London, W1W 7LT, England.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

#### 1.2 Going concern

As stated in note 14 the directors have considered the effects of the COVID-19 outbreak. The pandemic has caused significant disruption to the travel industry and therefore the company's business during 2020 and at the date of the approval of these statements, the extent and quantum of the disruption remains uncertain. There are however significant positives for the remainder of 2020 and through 2021, most notably with the recent announcement of scientific progress in the development of a vaccine. A successful vaccine would ensure the travel markets re-open in 2021 and the company will be in a strong position to take advantage of this. Additionally the company has a very supportive group of investors who have continued to support the business through the COVID pandemic during 2020. The directors have therefore continued to adopt the going concern basis in these financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the lease term
Fixtures, fittings and equipment	3 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

## WESWAP.COM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

##### 1.8 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.

##### *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.

##### *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.

# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, loans from fellow group companies, 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.

#### **1.9 Compound instruments**

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

#### **1.10 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.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

## WESWAP.COM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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**1 Accounting policies**

(Continued)

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

**1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.16 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 are included in the profit and loss account for the period.

## **WESWAP.COM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **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.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Measurement of convertible loan notes and embedded derivative**

The historic convertible loan note and its embedded derivative conversion feature has been classified as a financial liability in its entirety.

It is an accounting policy choice as to whether the convertible loan note principal and embedded derivative conversion feature is all measured at fair value or the principal is measured at amortised cost and the embedded derivative at fair value. The directors have chosen the latter on the basis that measuring the principal using amortised cost produces less volatility in the income statement and is consistent with how the company has previously treated similar loans.

The conversion feature represents an embedded derivative liability which has been separately valued through comparing the share price at the balance sheet date to the conversion price. The directors considered the valuation method used on the embedded derivative feature to be more appropriate than using a Black-Scholes model due to the expected short timescale to conversion or repayment of the loan principal.

A new convertible loan was drawn down in the year, which has been treated as a compound instrument split between debt and equity on inception. The repayment date of the loan is 12 months from the commencement of each individual draw down. The convertible loan note bears interest at 13% and the cash flows were discounted at a rate of 7% being the difference between the directors estimated rate of interest on a similar debt instrument without the option to convert, and the actual rate charged.

##### **Measurement of the exit fee liability**

The company has a liability payable to an investor in respect of an occurrence of an "exit event".

The fair value of the exit fee has been calculated assuming a 10% discount rate (based on the probability of the occurrence of an exit event) over the expected life of the exit fee liability being 1 year from 31 December 2019 being the estimated date of an exit event occurring.

An "exit event" means (i) A listing, or (ii) Sale, or (iii) Disposal of all or part of business and assets, or (iv) Disposal by the lender of all or part of its shareholding in the Company, or (v) Liquidation.

##### **Recognition of deferred tax asset**

No deferred tax asset has been recognised in respect of the carried forward trading losses as the directors consider that there is insufficient certainty over future profitability in the near term.

##### **Intangible development costs expensed**

Intangible development costs incurred to date have been expensed to the income statement on the basis that the directors consider there to be insufficient evidence that the company will derive future economic benefit from such expenditure.



# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Valuation of share options

The directors have been unable to measure the fair value services provided for the share options issued in the year directly and have therefore used a Black-Scholes model to calculate their fair value indirectly.

The company has a liability payable to an investor in respect of an occurrence of an "exit event".

The fair value of the exit fee has been calculated assuming a 10% discount rate (based on the probability of the occurrence of an exit event) over the expected life of the exit fee liability being 1 year from 31 December 2019 being the estimated date of an exit event occurring.

An "exit event" means (i) A listing, or (ii) Sale, or (iii) Disposal of all or part of business and assets, or (iv) Disposal by the lender of all or part of its shareholding in the Company, or (v) Liquidation.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 41 (2018 - 41).

### 4 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixture, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	3,600	71,203	34,419	109,222
Additions	-	42,200	-	42,200
At 31 December 2019	3,600	113,403	34,419	151,422
<b>Depreciation and impairment</b>				
At 1 January 2019	360	52,370	28,528	81,258
Depreciation charged in the year	2,160	14,641	3,317	20,118
At 31 December 2019	2,520	67,011	31,845	101,376
<b>Carrying amount</b>				
At 31 December 2019	1,080	46,392	2,574	50,046
At 31 December 2018	3,240	18,833	5,891	27,964

### 5 Fixed asset investments

	2019 £	2018 £
Investments	1	1

# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	1
<b>Carrying amount</b>	
At 31 December 2019	1
At 31 December 2018	1

### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
WeSwap.com Europe Limited	1	Dormant	Ordinary	100.00	0

1. The registered office of WeSwap.com Europe Limited is 85 Great Portland Street, London, England, W1W 7LT. WeSwap.com Europe Limited has not traded since its incorporation.

### 7 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	818,182	818,182

### 8 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	617,038	111,241
Prepayments and accrued income	103,806	91,230
	720,844	202,471

# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8	Debtors	(Continued)	
		2019	2018
		£	£
	Amounts falling due after more than one year:		
	Other debtors	68,280	91,040
		<u>68,280</u>	<u>91,040</u>
	<b>Total debtors</b>	<b>789,124</b>	<b>293,511</b>
		<u>789,124</u>	<u>293,511</u>

Included within prepayments is an advanced directors salary payment of £91,040 (2018: £113,800) (including social security costs) which has been split between current £22,760 (2018: £22,760) and non current £68,280 (2018: £91,040).

9	Creditors: amounts falling due within one year		2019	2018
		Notes	£	£
	Embedded derivative liability		84,779	73,668
	Other borrowings		4,048,015	1,512,014
	Trade creditors		1,747,008	1,703,213
	Other taxation and social security		126,646	76,165
	Other financial liability		818,182	818,182
	Other creditors		30,335	288,292
	Accruals and deferred income		502,996	583,110
			<u>7,357,961</u>	<u>5,054,644</u>

### Other borrowings

Includes £763,014 which represents a convertible loan note subject to a fixed and floating charge over all property and undertakings of the company. The convertible loan note bears interest at 20% per annum, interest is repayable on redemption.

The convertible loan note was issued during the year ended 31 December 2017 totalling £500,000. At inception, the lender was entitled to convert the principal and accrued interest at any time to A ordinary shares of £1.00 each at the Conversion Price, being the lower of:

- £432 per share; and
- A discount of 20% on the lowest subscription price paid for any shares in the Company by any subscriber or shares in any funding round after the date of this agreement.

However in June 2017, the £432 cap mentioned above was increased to £540 per share. If the loan note has not been converted, it is repayable at the earlier of the following:

- An "Exit" event meaning (i) A listing, or (ii) Sale, or (iii) Disposal of all or part of business and assets, or (iv) Disposal by the lender of all or part of its shareholding in the Company, or (v) Liquidation.
- On written notice from the lender when the Company realises an equity investment of greater or equal to £2,500,000.
- On written notice from the lender at any date after the first anniversary of the agreement.

## WESWAP.COM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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

(Continued)

The convertible loan note has been classified as a financial liability in its entirety. This is because there is an obligation to pay cash that the issuer cannot avoid and, for this component on a stand-alone basis there is no feature that is similar to equity. In addition, the conversion feature represents an embedded derivative and the liability has been separately valued through comparing the current share price to the price of the shares on conversion of the loan notes. This has given a fair value of £84,779 at 31 December 2019 (2018: £73,668).

Rather than the whole instrument being accounted for at fair value, the directors have opted to carry the principal at amortised cost and the embedded derivative at fair value on the basis that this option produces less volatility in the income statement and is consistent with how similar loans have been treated previously.

Other borrowings also includes a new convertible loan drawn down in the year, as at 31 December 2019 the total drawdown totalled £3,511,064. This has been treated as a compound instrument split between debt and equity on inception. The repayment date of the loan is 12 months from the commencement of each individual draw down. The convertible loan note bears interest at 13% and the cash flows were discounted at a rate of 7% being the difference between the directors estimated rate of interest on a similar debt instrument without the option to convert, and the actual rate charged. The lender has the right to convert at any time, and the number of 'A' shares issued would be fixed effectively at the market price of the shares discounted at 10%.

As at 31 December 2019 the balance of this convertible loan included within other borrowings is £3,208,000.

#### Other financial liability - exit fee

The other financial liability balance represents an exit fee. As at 31 December 2019, the company has a liability of £900,000 (2018: £900,000) payable to an investor on occurrence of an "exit event". An "exit event" is defined in note 3. The liability at 31 December 2019 comprises the fair value of the £900,000 exit fee payment, being £818,182. The fair value has been calculated assuming a 10% discount rate (based on the probability of non-occurrence of an exit event) over the expected life of the exit fee liability being 1 year from 31 December 2019.

#### 10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 January 2019	3,780	4,187	226.89	309.00
Granted	264	293	600.00	600.00
Forfeited	-	(550)	-	540.00
Exercised	(1,235)	(150)	242.91	167.00
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Outstanding at 31 December 2019	2,809	3,780	254.91	226.89
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Exercisable at 31 December 2019	1,457	-	330.75	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# WESWAP.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 10 Share-based payment transactions

(Continued)

The options and warrants outstanding at the year-end can be summarised below:

##### Employee options

- Option to acquire 500 Z shares with an exercise price of £125. Vesting conditions require satisfactory completion of probationary period and upon completion of 3 projects as defined in the option agreement. These conditions have already been met and therefore the options are exercisable. They have no expiry.
- Option to acquire 400 Ordinary shares with an exercise price of £125. The vesting conditions require an exit event which is also when they expire. This condition has not been met and therefore the options are not yet exercisable.
- Option to acquire 400 Ordinary shares with an exercise price of £213. These were exercisable on grant and expire on an exit event.

##### Investor options/warrants

- Warrants to acquire 735 Ordinary shares with an exercise price of £125. The vesting conditions require an exit event which is also when they expire. This condition has not been met and therefore the warrants are not yet exercisable.
- Warrants to acquire 217 Ordinary A shares with an exercise price of £425.23. The vesting conditions require an exit event which is also when they expire. This condition has not been met and therefore the warrants are not yet exercisable.
- Option to acquire 293 Ordinary A shares with an exercise price of £600, or if lower, the share price upon listing. The options, vested on grant (December 2018) and expire 10 years from the grant date.
- Option to acquire 264 Ordinary A shares with an exercise price of £600, or if lower, the share price upon listing. The options, vested on grant (June and August 2019) and have no expiry.

An "exit event" includes a share sale, an asset sale, a listing or a liquidation.

264 options on Ordinary A shares with an exercise price of £600, or if lower, the share price upon listing were granted in 2019. The weighted average fair value of the options on the measurement date was £9,779. Fair value was measured using the Black-Scholes model, with the assumption that the exercise price would be £600.

Total expenses of £9,779 related to equity settled share based payment transactions were recognised in the year in respect of share options granted during the year (2018: £7,313).

#### 11 Called up share capital

	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
23,425 Ordinary "A" shares of £1 each	23,425	23,425
46,136 Ordinary "B" shares of £1 each	46,136	40,658
500 Ordinary "C" shares of £1 each	500	500
	<u>70,061</u>	<u>64,583</u>

#### 12 Reserves

Share capital - Represents the nominal value of equity shares

Share premium - Amount subscribed for share capital in excess of nominal value

Profit and loss reserves - Cumulative net gains and losses and other transactions with owners not recognised elsewhere

Share options reserve - Fair value of share options granted but not yet exercised or expired.

Other reserve - Equity portion of the convertible loan note

## WESWAP.COM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
42,719	117,886
<u>          </u>	<u>          </u>

#### 14 Events after the reporting date

The directors have considered the effect of Covid-19 outbreak, that has been spreading throughout the world in 2020, on the company's activities. The outbreak is likely to cause a significant disruption to the company's business but at the date of approval of these financial statements, the extent and quantum of the disruption remains uncertain.

#### 15 Related party transactions

Included in prepayments is an advanced director salary of £91,040 (2018: £113,800). This balance is released to the profit and loss account on a monthly basis.

##### Other transactions with related parties

The company has financing arrangements with an entity jointly controlled by a director of the company. During the year ended 31 December 2019, the company was party to the following transactions with this entity:

- A convertible loan note, all transaction costs associated with this loan note were payable to the related entity
- The exit fee liability is payable to this entity

The convertible loan note and the exit fee liability are secured by a fixed and floating charge over all property and undertakings of the company.

#### 16 Controlling Party

The directors consider that there is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.