

Appway UK Limited

Director's Report and Financial Statements

Year Ended

31 December 2021

Company Number 10017126

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Appway UK Limited

Company Information

Director	Hanspeter Wolf
Registered number	10017126
Registered office	55 Baker Street London W1U 7EU
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Appway UK Limited

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Appway UK Limited

Director's Report For the Year Ended 31 December 2021

The director presents his report together with the audited financial statements for the year ended 31 December 2021.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Director

The director who served during the year was:

Hanspeter Wolf

Going concern

During the year the Appway AG group was purchased by FNZ Group, the change in ownership and resulting restructuring of the Group has caused significant uncertainties for the future trade of Appway UK Limited.

We draw attention to note 2.2 to the financial statements, which indicates the director's considerations over going concern, in particular the uncertainties over whether the Company will continue to trade as a result of the restructuring and changes in ownership. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appway UK Limited

Director's Report (continued) For the Year Ended 31 December 2021

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22/06/2022 and signed on its behalf.


Hanspeter Wolf
Director

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited

Opinion on the financial statements

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.

We have audited the financial statements of Appway UK Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates the director's considerations over going concern, in particular the uncertainties over whether the Company will continue to trade as a result of the restructuring and changes in ownership. As stated in note 2.2, these events or conditions 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 director with respect to going concern are described in the relevant sections of this report.

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited (continued)

Other Information

The director is responsible for the other information. The other information comprises the information included in the Director's Report other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

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 Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director determines 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 director is 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 intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited (continued)

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.

Extent to which the audit was 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

- We had discussions with management regarding known or suspected instances of non-compliance with laws and regulations and fraud;
- We sample tested manual journal entries, in particular any journal entries posted with unusual characteristics;
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited (continued)

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.

DocuSigned by:

Mark Hutton

Mark Hutton (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Guildford
United Kingdom

Date: 23 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Appway UK Limited

Statement of Income and Retained Earnings For the Year Ended 31 December 2021

		2021 £	2020 £
Turnover		60,803	101,812
Gross profit		60,803	101,812
Administrative expenses		(88,414)	(249,875)
Operating loss		(27,611)	(148,063)
Interest receivable and similar income		1,219	189
Interest payable and similar charges	3	(2,837)	(18,489)
Loss before tax		(29,229)	(166,363)
Tax on loss	7	-	-
Loss after tax		(29,229)	(166,363)
Retained loss at the beginning of the year		(977,371)	(811,008)
Loss for the year		(29,229)	(166,363)
Retained loss at the end of the year		(1,006,600)	(977,371)

The notes on pages 9 to 14 form part of these financial statements.

Appway UK Limited
Registered number: 10017126

Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	8	-	6,382
Cash and cash equivalents		44,603	22,172
Current liabilities		44,603	28,554
Creditors: amounts falling due within one year	9	(1,050,203)	(1,004,925)
Total assets less current liabilities		(1,005,600)	(976,371)
Net liabilities		(1,005,600)	(976,371)
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(1,006,600)	(977,371)
Total equity		(1,005,600)	(976,371)

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 were approved and authorised for issue by the board and were signed on its behalf on 22/06/2022


Hanspeter Wolf
Director

The notes on pages 9 to 14 form part of these financial statements.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General Information

Appway UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activity are set out in the Director's Report.

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 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 accounting policies.

In preparing these financial statements, given the nature of the Company's principal activity, the director has not had to make any judgements or estimates that are material to these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

During the year, Appway AG Group was purchased by FNZ Group, the change in ownership and resulting restructuring of the Group has caused significant uncertainties for the future trade of Appway UK Limited.

The director acknowledges that Appway UK Limited is reliant upon Group support to meet its liabilities as they fall due, with net liabilities and net current liabilities of £1,005,600 at 31 December 2021. The entity generates no external revenue beyond the Appway Group and has historically been reliant upon a cost plus arrangement with Appway AG, the Company's immediate parent company, in relation to payroll costs. As at 31 December 2021 Appway UK Limited no longer had any employees.

The director has performed an assessment of going concern, giving due consideration to the Company's current financial position, together with cash flow projections. The director has received a letter of support from Appway AG, the Company's immediate parent, who confirm to provide financial support to ensure the Company can meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The director has reviewed the cash flow projections of Appway AG, and concluded that these demonstrate an ability to support the operations of Appway UK Limited.

However, due to the change in ownership of the Group including changes in the ultimate parent company, and resulting restructuring, there are uncertainties with regards to whether Appway UK Limited will continue as a trading entity in the future. This indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore that it might be unable to realise its assets and discharge its liabilities in the normal course of business.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

2.5 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.

2.6 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, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.6 Financial Instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.7 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.

2.8 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.9 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

The presentational and functional currency of this financial statement is GBP. Values are rounded to the nearest pound.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 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 the Statement of Income and Retained Earnings 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.

2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings 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.

3. Interest payable and similar charges

Interest payable of £2,837 was recognised in the Statement of Income and Retained Earnings during the year in relation to intercompany loans (2020 - £18,334).

4. Auditor's remuneration

During the year the audit fee was £10,370 (2020 - £8,500).

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

5. Employees

The average monthly number of employees, including the director, during the year was 3 (2020 - 3).

6. Director's remuneration

The director received no remuneration during the year from the Company (2020 - £Nil).

7. Taxation

	2021 £	2020 £
Total current tax	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(29,229)	(166,363)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(5,554)	(31,609)
Effects of:		
Deferred tax not recognised	5,554	31,609
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Company has tax losses of approximately £872k (2020 - £843K) to carry forward against profits of future periods. Deferred taxation of £166k (2020 - £160k) in relation to the losses has not been recognised on the grounds that there is not sufficient evidence that the asset would be recoverable.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021 and received royal assent on 10 June 2021, therefore its effects are reflected in these financial statements.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	-	6,382

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,411	89
Amounts owed to group undertakings	1,030,852	991,382
Accruals and deferred income	16,940	13,454
	<u>1,050,203</u>	<u>1,004,925</u>

Intercompany balances are unsecured, do not bear interest and repayable on demand.

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. Reserves

The Company's reserves are as follows:

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

12. Related party transactions

The Company has taken the exemption under FRS 102 S33.1A not to disclose transactions with other 100% owned companies in the group.

13. Controlling party

The Company's immediate parent company is Appway AG, a company incorporated in Switzerland. The address of the parent company is Lessingstrasse 5, CH-8002, Zurich. The Company's ultimate parent company is FNZ Group Limited, a company incorporated in Jersey. The ultimate controlling party is Falcon Newco Ltd.