

Company Registration No. 07739337 (England and Wales)

Funding Options Limited

**Financial statements
for the year ended 31 December 2021**

Pages for filing with the Registrar



Funding Options Limited**Statement of financial position****As at 31 December 2021**

		2021		2020
	Notes	£	£	Unaudited as restated £
Fixed assets				
Investments	6		86	1
Current assets				
Debtors	8	416,608	802,934	
Cash at bank and in hand		1,778,005	3,660,466	
		<u>2,194,613</u>	<u>4,463,400</u>	
Creditors: amounts falling due within one year	9	<u>(1,723,884)</u>	<u>(7,785,438)</u>	
Net current assets/(liabilities)			<u>470,729</u>	<u>(3,322,038)</u>
Total assets less current liabilities			<u>470,815</u>	<u>(3,322,037)</u>
Creditors: amounts falling due after more than one year	10		-	<u>(921,792)</u>
Net assets/(liabilities)			<u><u>470,815</u></u>	<u><u>(4,243,829)</u></u>
Capital and reserves				
Called up share capital	13		8,614	2,823
Share premium account			17,003,972	8,457,074
Profit and loss reserves			<u>(16,541,771)</u>	<u>(12,703,726)</u>
Total equity			<u><u>470,815</u></u>	<u><u>(4,243,829)</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

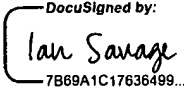
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Funding Options Limited

Statement of financial position (continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 16 June 2022 and are signed on its behalf by:

DocuSigned by:

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17 June 2022 | 10:12:31 BST

Ian Savage

Director

Company Registration No. 07739337

Funding Options Limited

Notes to the financial statements For the year ended 31 December 2021

1 Accounting policies

Company information

Funding Options Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2-102 33 Queen Street, London, United Kingdom, EC4R 1BR.

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. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The comparative period in the financial statements for a period of six months, as such the comparative amounts presented are not entirely comparable.

1.4 Turnover

Turnover represents commissions earned on introducing customers to lenders. Turnover is recognised at the fair value of the consideration received or receivable services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.5 Fixed asset investments

Interests in subsidiaries 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.

Funding Options Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

1 Accounting policies (continued)

1.6 Cash and cash equivalents

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

1.7 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 statement of financial position 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, 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.

Basic financial liabilities

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

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

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

Funding Options Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1 Accounting policies (continued)

1.8 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.

1.9 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 income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.10 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.

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.

1.11 Retirement benefits

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

Funding Options Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1 Accounting policies (continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

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

2 Critical accounting 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.

3 Turnover and other revenue

Turnover includes one-off non-refundable grant income of £1,673,645 (period ended 31 December 2020: £1,184,900).

Funding Options Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****4 Auditor's remuneration**

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	13,500	-
	<u> </u>	<u> </u>
For other services		
All other non-audit services	7,760	1,165
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Total	65	61
	<u> </u>	<u> </u>

6 Fixed asset investments

	2021	2020
	£	£
Shares in group undertakings	86	1
	<u> </u>	<u> </u>

Movements in fixed asset investments

	Shares in subsidiaries
	£
Cost or valuation	
At 1 January 2021	1
Additions	85
	<u> </u>
At 31 December 2021	86
	<u> </u>
Carrying amount	
At 31 December 2021	86
	<u> </u>
At 31 December 2020	1
	<u> </u>

Funding Options Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Country of incorporation	Class of shares held	% Held	
			Direct	Indirect
Check Business Limited	England and Wales	Ordinary shares	100.00	-
Funding Options Netherlands BV	Netherlands	Ordinary shares	100.00	-

8 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	212,956	623,763
Other debtors	203,652	179,171
	<u>416,608</u>	<u>802,934</u>

9 Creditors: amounts falling due within one year

	Notes	2021	2020 as restated
		£	£
Convertible loans	11	-	5,410,853
Trade creditors		167,027	138,660
Amounts owed to group undertakings		85	-
Corporation tax		100,000	-
Other taxation and social security		204,928	80,379
Other creditors		1,251,844	2,155,546
		<u>1,723,884</u>	<u>7,785,438</u>

The comparative information has been restated to reclassify the convertible loan liabilities at 31 December 2020 as falling due within one year. This restatement has no effect upon the reported equity at 31 December 2020 nor the loss for the period then ended.

Funding Options Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****10 Creditors: amounts falling due after more than one year**

	2021	2020 as restated
	£	£
Other creditors	-	921,792

11 Convertible loan notes

	2021	2020
	£	£
Liability component of convertible loan notes	-	5,410,853

On 19 March 2021 the company issued £2,000,000 of convertible loan notes (period ended 31 December 2021: £1,701,100 of convertible loan notes issued).

All convertible loan notes in issue at 31 December 2021 converted to £0.01 C ordinary shares of the company at that date. The conversion price was £18.084427 per share.

The interest expensed for the year is calculated by applying an effective interest rate of 8.00% to the liability component of the loan notes. The liability component is measured at amortised cost.

Funding Options Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

12 Share-based payment transactions

On 21 July 2021 the granted equity-settled share options under an Enterprise Management Incentive Plan and a Share Incentive Plan:

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	-	-	-	-
Granted	70,812	-	13.40	-
Outstanding at 31 December 2021	<u>70,812</u>	<u>-</u>	<u>13.40</u>	<u>-</u>
Exercisable at 31 December 2021	<u>22,805</u>	<u>-</u>	<u>13.40</u>	<u>-</u>

The options outstanding at 31 December 2021 had an exercise price of £13.40, and a remaining contractual life of 9 years.

The directors have assessed the fair value of the options granted during the year to be nil. No share-based payment expense has therefore been recognised in the statement of comprehensive income during the year.

13 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	124,004	124,004	1,240	1,240
A Ordinary shares of 1p each	76,511	76,511	765	765
C Ordinary shares of 1p each	660,817	81,754	6,609	818
	<u>861,332</u>	<u>282,269</u>	<u>8,614</u>	<u>2,823</u>

On 31 December 2021, 503,302 C ordinary shares of £0.01 each were issued by the company upon conversion of convertible loan notes.

On 31 December 2021, 75,761 C ordinary shares of £0.01 each were issued by the company for cash at par value.

Funding Options Limited**Notes to the financial statements (continued)
For the year ended 31 December 2021****14 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:

2021	2020
£	£
69,150	144,000
<u>69,150</u>	<u>144,000</u>

15 Events after the reporting date

On 17 March 2022 the company issued 72,525 D ordinary shares of £0.01 each for cash consideration of £1,750,000 as part of the directors' strategic fundraising plan.

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Nicholas Fernyhough and the auditor was Saffery Champness LLP.