

APPFLEET LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



APPFLEET LTD

COMPANY INFORMATION

Directors	V K T Choi T D'Hondt F Saprnov S M J Verraest E A Sagi (appointed 27 October 2021)
Registered number	10583935
Registered office	Level 39 One Canada Square London E14 5AB
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors 25 Moorgate London EC2R 6AY

APPFLEET LTD

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APPFLEET LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their Strategic Report for the year ended 31 December 2020.

Business review

At Appfleet, our aim is to help businesses accept payments without the use of additional hardware. Our aim is to help them take payments across any of their customer touchpoints. This is in the aim that customers can pay with whichever method they prefer.

The Financial Conduct Authority ('FCA') has granted Appfleet an authorised e-money institution licence and with this we can help businesses in a much deeper way by reducing further frictions that exist in the payment ecosystem. Ultimately, our mission is to improve the lives of business owners through helping them access affordable financial services.

Principal risks and uncertainties

Macroeconomic risk

Appfleet's business is sensitive to global macroeconomic conditions as revenue is linked to the volume processed in each of the regions that we are deployed. Covid-19 has restricted travellers' ability to visit countries where we operate and thus this has negatively impacted the revenues of Appfleet in 2020.

Operational risk

As Appfleet is a growing company, the pace of growth means that there are operational risks where nearly all the employees hold key functions in order for Appfleet to provide an uninterrupted service. Through the fundraising and recruitment of more staff, this operational risk will be mitigated.

Third party risk

Appfleet is reliant on a number of third parties such as payment processing, Know Your Customer/ Know Your Business ('KYC/KYB') services and foreign exchange services. Appfleet mitigates these risks through an assessment of all third parties including their financial and operational status. Senior management assesses on a regular basis whether our third parties pose a significant risk to Appfleet.

Funding risk

Appfleet is currently enjoying a strong period of growth that has been fuelled by funding from external parties, as detailed in the Post Balance Sheet Events note. Appfleet is exposed to the risk that the existing shareholders do not provide additional funding. To mitigate this, Appfleet will be raising more funds from a broad range of financiers that will give Appfleet access to different sources of funding.

Foreign exchange risk

Appfleet operates in number of countries and processes multi-currency payments. Appfleet has the appropriate hedging policies in place and monitors the potential exposures that could impact our operational finances.

Financial key performance indicators

The key performance indicators for Appfleet are volumes processed and take rate. In H2 2020, the volumes compared to H1 2020 grew by 454% and our take rate improved by 133% during the same period.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' statement of compliance with duty to promote the success of the Group

The Directors of the Group must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.'

Appfleet's success is dependent on our relationships with our stakeholders. When making business decisions, the Board is mindful of its responsibilities under s172(1) of the Companies Act 2006 to promote the success of the company having regard to it range of stakeholders, as discussed below.

Likely consequences of any decision in the long term

Appfleet's Board of Directors and its committees consider the long-term potential consequences of any decision on its stakeholder groups and the same consideration is given by all Appfleet's businesses in different regions. The Board is provided on a regular basis with information regarding key decisions, material risks and business performance updates.

Interest of employees

Appfleet is an employee-led organisation globally. We have a strong emphasis on attracting, retaining and developing the most talented individuals and help them reach their potential. The Board of Directors and senior management are committed to creating a workplace that allows for employees to have career progression, a safe environment which promotes employee well-being and pay and benefits that are attractive in all regions that we operate.

The company's business relationships with suppliers, customers and others

Our customers

Our feature suite has been built through the feedback of the businesses that use us. Through this feedback our internal product and development teams build solutions in-house and we monitor our reviews through Trustpilot and other customer interviews which informs the Directors' decision-making in what to prioritise.

Our partners and suppliers

Payments industry is highly interconnected and Appfleet prides itself on having strong relationships with our partners and suppliers, which the Board of Directors foster on an ongoing basis. We treat all our partners and suppliers fairly and openly.

Our investors

Our investors do more than support us financially and we value their advice and opinions as they are important to us. The Board of Directors have frequent dialogue with all shareholders covering topics such as financial performance, funding updates, strategy and culture.

Impact of operations on the community and the environment

Under the direction of the Board, we work closely with our partners globally in ensuring that our operations impact the community and environment in a positive manner. Our product by the nature of the problem we solve is to help communities thrive especially in emerging markets where the difference we can make with small gains has huge impact in these communities.

Maintain a reputation for high standards of business conduct

We place high emphasis on maintaining the highest standard of business conduct with regulators, schemes and partners. We have and will continually invest in ensuring that we are compliant with all laws in the countries that

APPFLEET LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

we operate in and our Board of Directors monitors compliance with laws and regulation on an ongoing basis. We require that all employees complete appropriate annual trainings at all levels that is appropriate to their roles.

Act fairly as between members of company

Appfleet is committed to acting fairly with its members and being transparent in its activities and directions. As noted above, the Board of Directors have frequent dialogue with all shareholders.

This report was approved by the board and signed on its behalf.

DocuSigned by:

Vincent Choi

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V K T Choi

Director

Date: 16/12/2021

APPFLEET LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

Appfleet has created a web and mobile application that allows businesses to accept payments both card present and card not present by combining Quick Response ('QR') and Near Field Communication ('NFC') technologies. We deploy our technology to banks where they deploy it in their respective markets.

Appfleet Limited is authorised by the Financial Conduct Authority to provide payment services and issue electronic money (FCA reference number is 928018).

Results and dividends

The loss for the year, after taxation, amounted to £1,238,044 (11-month period ended 31 December 2019: loss £206,336).

No dividends have been paid or proposed during the year (11-month period ended 31 December 2019: £Nil).

Directors

The directors who served during the year were:

V K T Choi
T D'Hondt (appointed 2 April 2020)
A Doukanaris (appointed 1 November 2020, resigned 30 September 2021)
G Ouyang (appointed 1 November 2020, resigned 28 October 2021)
F Sapronov (appointed 3 April 2020)
S M J Verraest
W Cao (resigned 18 June 2020)
N J Cuthbert (resigned 26 October 2020)

Going concern

During the year, the Group made total comprehensive losses of £1,238,044 (11 months ended 31 December 2019: £206,336). In assessing the Group and Company's going concern status the Directors have considered: the trading results since the year end, the post year end funding secured (as described in the Post Balance Sheet Events note), the Group's cash flow and regulatory capital forecasts, as well as the Group's operational plans - in particular the resourcing of certain teams to ensure not only the operation that the Group has been providing to date, but also the resources required to continue the growth, taking into account reasonably possible downsides.

Consequently, the Directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to meet liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Future developments

Looking forward into 2021 and beyond, Appfleet's priority future developments are as follows:

- Investment into existing operations to increase the robustness of our operating model;
- Further investment in our technology infrastructure and enhancing the core offering in all our markets;
- Obtaining further regulatory authorisations to expand our offering across multiple jurisdictions.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Engagement with suppliers, customers and others

Details provided in the Strategic Report.

Matters covered in the strategic report

Where necessary, disclosures relating to principal risks & uncertainties have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director 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 and the Group's auditor is aware of that information.

Post balance sheet events

In 2021, Appfleet was successful in raising two rounds of funding in March 2021 and October 2021 totalling £5.55m, with an option available for one of the investors to further fund up to £2.25m. These funds are being used to support the growth phase and continued investment in operations and systems. Share issues corresponding to the funding rounds are detailed in note 22.

Also post year end, the Group set up a share option scheme for its employees. The initial share options pool was of 1,281,950 options, which was then extended by an additional 2,618,056 options. Of the total share options pool, 447,705 share options have been granted as at November 2021.

Moreover, in 2021, the Group has signed a new long term contract positioning it for fast growth in Asia.

Auditor

The auditor, Nexia Smith & Williamson, was appointed in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

Vincent Choi

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V K T Choi

Director

Date: 16/12/2021

APPFLEET LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPFLEET LTD

Opinion

We have audited the financial statements of the parent Company and the Group (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's 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.

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 are independent of the Group and Parent 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

APPFLEET LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPFLEET LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are 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 directors determine 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 directors are responsible for assessing the Group's and the Parent 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 intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPFLEET LTD (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.

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 a general understanding of the Group's legal and regulatory framework through enquiry of the members in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the Group's policies and procedures in relation to compliance with relevant laws and regulations and how the Directors identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the Group's industry and regulation.

We understand that the Group complies with requirements of the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA) in relation to Electronic Money Institutions.

To gain evidence about compliance with the significant laws and regulations above we reviewed board meeting minutes, inspected correspondence with the FCA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures we carried out to gain evidence in the above areas included;

- Testing of a sample of revenue transactions to underlying documentation;
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Group's processes and controls surrounding manual journal entries.

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

Other matter

The financial statements of the parent Company and the Group for the period ended 31 December 2019 were unaudited.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPFLEET LTD (CONTINUED)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindsay Manson

Lindsay Manson (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: 16/12/2021

APPFLEET LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Year ended 31 December 2020	<i>Restated Unaudited 11-month period ended 31 December 2019</i> £
Turnover	5	346,812	161,528
Cost of sales		(108,482)	(36,261)
Gross profit		238,330	125,267
Administrative expenses		(1,750,696)	(317,230)
Other operating income	6	67,192	1,400
Operating loss	7	(1,445,174)	(190,563)
Interest payable and similar expenses	11	(2,560)	(15,250)
Loss before taxation		(1,447,734)	(205,813)
Tax on loss	12	209,690	(523)
Loss for the financial year		(1,238,044)	(206,336)

There was no other comprehensive income for 2020 (2019:NIL).

The notes on pages 18 to 36 form part of these financial statements.

APPFLEET LTD
REGISTERED NUMBER:10583935

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	<i>Restated Unaudited 2019 £</i>
Fixed assets			
Tangible assets	13	36,828	9,211
		<u>36,828</u>	<u>9,211</u>
Current assets			
Debtors: amounts falling due after more than one year	15	5,040	-
Debtors: amounts falling due within one year	15	847,349	275,892
Cash at bank and in hand		946,595	913,476
		<u>1,798,984</u>	<u>1,189,368</u>
Creditors: amounts falling due within one year	16	<u>(1,884,441)</u>	<u>(1,167,930)</u>
Net current (liabilities)/assets		(85,457)	21,438
Total assets less current liabilities		(48,629)	30,649
Net (liabilities)/assets		(48,629)	30,649
Capital and reserves			
Called up share capital	17	221,281	180,193
Share premium account	18	1,910,491	792,813
Profit and loss account	18	(2,180,401)	(942,357)
Total equity		(48,629)	30,649

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

DocuSigned by:

Vincent Choi

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V K T Choi
Director

Date: 16/12/2021

The notes on pages 18 to 36 form part of these financial statements.

APPFLEET LTD
REGISTERED NUMBER:10583935

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	<i>Restated Unaudited 2019 £</i>
Fixed assets			
Tangible assets	13	23,820	9,211
Investments	14	167,107	37,971
		<u>190,927</u>	<u>47,182</u>
Current assets			
Debtors: amounts falling due after more than one year	15	1,148,287	283,794
Debtors: amounts falling due within one year	15	800,627	235,786
Cash at bank and in hand		120,100	616,961
		<u>2,069,014</u>	<u>1,136,541</u>
Creditors: amounts falling due within one year	16	<u>(1,862,261)</u>	<u>(1,151,424)</u>
Net current assets/(liabilities)		206,753	(14,883)
Total assets less current liabilities		<u>397,680</u>	<u>32,299</u>
Net assets		<u><u>397,680</u></u>	<u><u>32,299</u></u>
Capital and reserves			
Called up share capital	17	221,281	180,193
Share premium account	18	1,910,491	792,813
Profit and loss account brought forward		(940,707)	(736,021)
Loss for the year		(793,385)	(204,686)
Profit and loss account carried forward	18	(1,734,092)	(940,707)
Total equity		<u><u>397,680</u></u>	<u><u>32,299</u></u>

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

DocuSigned by:

Vincent Choi

V K T Choi

Director

Date: 16/12/2021

The notes on pages 18 to 36 form part of these financial statements.

APPFLEET LTD

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 February 2019 - restated	162,953	249,191	(736,021)	(323,877)
Loss for the period - restated	-	-	(206,336)	(206,336)
Total comprehensive income for the period	-	-	(206,336)	(206,336)
Shares issued during the period	17,240	543,622	-	560,862
At 1 January 2020	180,193	792,813	(942,357)	30,649
Loss for the year	-	-	(1,238,044)	(1,238,044)
Total comprehensive income for the year	-	-	(1,238,044)	(1,238,044)
Shares issued during the year	41,088	1,117,678	-	1,158,766
At 31 December 2020	221,281	1,910,491	(2,180,401)	(48,629)

APPFLEET LTD

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 February 2019 - restated	162,953	249,191	(736,021)	(323,877)
Comprehensive income for the period				
Loss for the period - restated	-	-	(204,686)	(204,686)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	(204,686)	(204,686)
Shares issued during the period	17,240	543,622	-	560,862
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2020	180,193	792,813	(940,707)	32,299
Loss for the year	-	-	(793,385)	(793,385)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(793,385)	(793,385)
Shares issued during the year	41,088	1,117,678	-	1,158,766
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	221,281	1,910,491	(1,734,092)	397,680

APPFLEET LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	<i>Restated Unaudited 2019 £</i>
Cash flows from operating activities		
Loss for the financial year/ period	(1,238,044)	(206,336)
Adjustments for:		
Depreciation of tangible assets	12,946	-
Interest paid	2,147	-
Research & Development - credit for the year	(210,000)	-
(Increase) in debtors	(362,270)	(255,778)
Increase in creditors	577,053	666,222
Research & Development - received	-	134,629
Net cash (used in)/generated from operating activities	<u>(1,218,168)</u>	<u>338,737</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,497)	(4,935)
Net cash used in investing activities	<u>(40,497)</u>	<u>(4,935)</u>
Cash flows from financing activities		
Issue of ordinary shares	1,200,039	595,080
New loans	91,745	97,000
Repayment of loans	-	(128,500)
Net cash generated from financing activities	<u>1,291,784</u>	<u>563,580</u>
Net increase in cash and cash equivalents	<u>33,119</u>	<u>897,382</u>
Cash and cash equivalents at beginning of year/period	913,476	16,094
Cash and cash equivalents at the end of year/ period	<u><u>946,595</u></u>	<u><u>913,476</u></u>
Cash and cash equivalents at the end of year/ period comprise:		
Cash at bank and in hand	946,595	913,476
	<u><u>946,595</u></u>	<u><u>913,476</u></u>

APPFLEET LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	913,476	33,119	946,595
Debt due within 1 year	-	(93,892)	(93,892)
	913,476	(60,773)	852,703

APPFLEET LTD

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

1. General information

Appfleet Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 10583935). The registered office address is Level 39 One Canada Square, London, England, E14 5AB.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Comparative amounts

The Group and Company's prior period financial statements covered the period from 1 February 2019 to 31 December 2019. For this reason, the comparative amounts in these financial statements are not fully comparable.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been included for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

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

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

During the year, the Group made total comprehensive losses of £1,238,044 (11 months ended 31 December 2019: £206,336). In assessing the Group and Company's going concern status the Directors have considered: the trading results since the year end, the post year end funding secured (as described in the Post Balance Sheet Events note), the Group's cash flow and regulatory capital forecasts, as well as the Group's operational plans - in particular the resourcing of certain teams to ensure not only the operation that the Group has been providing to date, but also the resources required to continue the growth, taking into account reasonably possible downsides.

Consequently, the Directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to meet liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational 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.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

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

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

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

2.7 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.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

2.9 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.

2.10 Borrowing costs

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

2.11 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.

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

2. Accounting policies (continued)

2.11 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:

Fixtures and fittings	-	33% straight-line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

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

2. Accounting policies (continued)**2.14 Financial instruments**

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.15 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group'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 judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below.

Recoverability by the Company of amounts invested in and due from subsidiaries

In assessing the recoverability of these amounts, the Directors have considered the long term plans in existence at year end in respect of the subsidiaries, which have begun to crystallise post year end when a significant long term revenue producing contract was signed. This is expected to bring in cash flows in excess of the carrying amounts owed at year end.

4. Restatement of 2019 comparatives

The Company restated its previous period turnover to reflect the exclusion of a credit note issued in relation to services rendered in the previous period which had been recognised in error. As a result, the Company's 2019 turnover increased by £140,375 and its Retained losses as at 1 February 2019 increased by the same amount.

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

5. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 31 December 2020 £	<i>Unaudited Restated 11- month period ended 31 December 2019 £</i>
Payment fees	346,812	<i>161,528</i>

Analysis of turnover by country of destination:

	Year ended 31 December 2020 £	<i>Unaudited Restated 11- month period ended 31 December 2019 £</i>
United Kingdom	5,499	<i>2,150</i>
Rest of Europe	5,022	<i>435</i>
Rest of the world	336,291	<i>158,943</i>
	346,812	<i>161,528</i>

6. Other operating income

	Year ended 31 December 2020 £	<i>Unaudited 11-month period ended 31 December 2019 £</i>
Other operating income	-	<i>1,400</i>
Coronavirus job retention scheme income - UK and Singapore	67,192	<i>-</i>
	67,192	<i>1,400</i>

APPFLEET LTD

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

7. Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 31 December 2020 £	<i>Unaudited 11-month period ended 31 December 2019 £</i>
Research & development charged as an expense	33,854	4,800
Exchange differences	(8,403)	(1,109)
Operating lease rentals	145,936	14,991
Depreciation	12,946	1,699
Job retention scheme COVID-19 support	(39,867)	-
Other COVID-19 support	(27,324)	-
	<u><u> </u></u>	<u><u> </u></u>

8. Auditor's remuneration

	Year ended 31 December 2020 £	<i>Unaudited 11-month period ended 31 December 2019 £</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	27,900	-
	<u><u> </u></u>	<u><u> </u></u>
Fees payable to the Group's auditor and its associates in respect of:		
Accounts preparation	3,000	-
	<u> </u>	<u> </u>
	<u><u>3,000</u></u>	<u><u>-</u></u>

APPFLEET LTD

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

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	<i>Group 2019 £</i>
Wages and salaries	740,478	40,853
Social security costs	60,324	-
Cost of defined contribution scheme	8,508	-
	809,310	40,853

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

Group Year ended 31 December 2020 No.	<i>Group 11-month period ended 31 December 2019 No.</i>	Company Year ended 31 December 2020 No.	<i>Company 11-month period ended 31 December 2019 No.</i>
16	<i>3</i>	12	<i>2</i>

10. Directors' remuneration

	Year ended 31 December 2020 £	<i>Unaudited 11-month period ended 31 December 2019 £</i>
Directors' emoluments	99,774	30,650
Company contributions to defined contribution pension schemes	8,508	-

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

11. Interest payable and similar expenses

	<i>Unaudited 11-month Year ended period ended 31 31 December December 2020 2019 £ £</i>	
Bank interest payable	2,560	15,250

12. Taxation

	<i>Unaudited 11-month Year ended period ended 31 31 December December 2020 2019 £ £</i>	
Corporation tax		
Current tax on losses for the year/period	(209,690)	523
Total current tax	<u>(209,690)</u>	<u>523</u>
Taxation on loss on ordinary activities	<u>(209,690)</u>	<u>523</u>

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

12. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2020 £	<i>Unaudited 11-month period ended 31 December 2019 £</i>
Loss on ordinary activities before tax	(1,447,734)	(205,813)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(275,069)	(39,104)
Effects of:		
Research & Development credit (Company)	(210,000)	-
Amounts corresponding to losses incurred	275,379	39,627
Total tax charge for the year/period	(209,690)	523

Factors that may affect future tax charges

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as a result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

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

13. Tangible fixed assets**Group**

	Fixtures and fittings £
Cost	
At 1 January 2020	11,518
Additions	40,497
At 31 December 2020	52,015
Depreciation	
At 1 January 2020	2,307
Charge for the year	12,880
At 31 December 2020	15,187
Net book value	
At 31 December 2020	36,828
At 31 December 2019	9,211

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

13. Tangible fixed assets (continued)**Company**

	Fixtures and fittings £
Cost	
At 1 January 2020	11,518
Additions	23,977
At 31 December 2020	<u>35,495</u>
Depreciation	
At 1 January 2020	2,307
Charge for the year	9,368
At 31 December 2020	<u>11,675</u>
Net book value	
At 31 December 2020	<u><u>23,820</u></u>
At 31 December 2019	<u><u>9,211</u></u>

APPFLEET LTD

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

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 January 2020	37,971
Additions	129,136
At 31 December 2020	<u>167,107</u>

During the year, the parent company increased its investment in Pomelo Pay Pte Ltd by SGD 250,000 (£ 138,141). Also during the year, the company wrote off its existing investment in Investment in Pomelo Pay Malaysia Sdn Bhd which amounted to £9,205 as at 31 December 2019.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Pomelo Pay Malaysia Sdn. Bhd	Malaysia	Struck off	Ordinary	100%
Pomelo Pay LLC	United States of America, 1910 Thomes Ave, Cheyenne, WY 82001	Information technology consultancy	Ordinary	100%
Pomelo Pay Pte Ltd	Singapore, Level 18, Centennial Tower, 3 Temasek Avenue	Information technology consultancy	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Pomelo Pay Malaysia Sdn. Bhd	-	-
Pomelo Pay LLC	(7,414)	(4,595)
Pomelo Pay Pte Ltd	(271,786)	(448,529)

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

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Amounts owed by group undertakings	-	-	1,143,247	283,794
Other debtors	5,040	-	5,040	-

Amounts owed by group undertakings to the Company are interest free and repayable on demand. The Company intends to capitalise these amounts as equity within the subsidiaries post year end.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	13,191	44,106	13,191	44,106
Other debtors	565,309	205,541	526,451	173,113
Prepayments and accrued income	58,849	26,245	50,985	18,567
Research & Development tax credit	210,000	-	210,000	-
	847,349	275,892	800,627	235,786

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	130,768	43,976	115,928	40,068
Other taxation and social security	23,622	5,601	21,072	5,601
Other creditors	1,543,975	977,845	1,543,975	968,640
Accruals and deferred income	24,269	22,993	19,479	19,600
Other loans	93,892	-	93,892	-
Amounts owed to directors	67,915	117,515	67,915	117,515
	1,884,441	1,167,930	1,862,261	1,151,424

Included within other loans is a loan due to a third party amounting to £93,892 (2019: £Nil), which carries interest at 14.40%. The loan's repayment date is 31 March 2021 and is secured over the Company's Research & Development amounts receivable and over its other current and non current assets.

Amounts owed to directors represent amounts payable in relation to directors' remuneration.

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

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,138,000 (2019: 998,000) Ordinary shares of £0.1806 each	205,467	180,193
87,566 (2019: 0) Seed Preferred shares of £0.1806 each	15,814	-
	<u>221,281</u>	<u>180,193</u>

During the year the Company issued 140,000 Ordinary £0.1806 shares for consideration of £700,000 which contained a share premium of £674,722.

During the year the Company issued 87,566 Seed Preferred £0.1806 shares for consideration of £500,002 which contained a share premium of £484,191.

Rights of shares**LIQUIDATION**

On distribution of the assets of the company on return of capital, the available assets shall be distributed as follows:

1. First to holders of Seed shares in priority to any other classes of shares, an amount equal per seed share held equal to the higher of (i) preference amount or (ii) the amount per share that would be received if the surplus assets were distributed among the holders of equity shares pro rata
2. Second in paying the holders of deferred shares, if any, a total of 1 per share for the entire class of deferred shares
3. Third, in distributing the balance of the surplus assets among the holders of ordinary shares pro rata.

DIVIDENDS

Any available profits will first be distributed to the holders of the deferred shares (if any) up to an aggregate amount of £1.00.

Thereafter, any remaining profits will be distributed to the holders of the ordinary shares, seed preferred shares and seed preferred ratchet shares (if any) all of which rank pari passu.

18. Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

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

19. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £9,508 (*11-month period ended 31 December 2019: £336*). Contributions totalling £2,594 (*2019: £Nil*) were payable to the fund at the balance sheet date and are included in creditors.

20. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Not later than 1 year	101,447	<i>101,206</i>	8,806	<i>101,206</i>
Later than 1 year and not later than 5 years	-	<i>4,606</i>	-	<i>4,606</i>
	101,447	<i>105,812</i>	8,806	<i>105,812</i>

21. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

The Company's directors represent its key management personnel and their remuneration is disclosed in note 10 to the accounts.

During the prior period the Group rendered application development services to a company connected via common directorship amounting to £10,000. At balance sheet date £nil (*2019: £nil*) was receivable from the connected company.

The Group paid for contractor services amounting to £15,372 (*2019: £9,960*) to a company related via common directorship. At balance sheet date £nil (*2019: £nil*) was payable to the connected company.

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

22. Post balance sheet events

In 2021, Appfleet was successful in raising two rounds of funding in March 2021 and October 2021 totalling £5.55m, with an option available for one of the investors to further fund up to £2.25m. These funds are being used to support the growth phase and continued investment in operations and systems.

Share issues corresponding to the funding rounds are set out below:

- March 2021: 100,000 Seed preferred shares, nominal value of £0.1806, consideration of £500,000; 10,000 Ordinary shares, nominal value of £0.1806, consideration of £50,000; 12,434 Seed preferred ratchet shares, nominal value of £0.001, consideration of £12.
- October 2021: 2,226,337 Seed preferred ratchet shares, nominal value of £0.01, consideration of £22,264. A sub-division and consolidation of shares was performed in October, to bring the nominal value of all share classes to £0.01
- November 2021: 4,968,479 Series A preferred shares, nominal value of £0.01, consideration of £3,677,171 with the remainder of the Series A preferred shares to be issued in the next few months.

Also post year end, the Group set up a share option scheme for its employees. The initial share options pool was of 1,281,950 options, which was then extended by an additional 2,618,056 options. Of the total share options pool, 447,705 share options have been granted as at November 2021.

Moreover, in 2021, the Group has signed a new long term contract positioning it for fast growth in Asia.

23. Controlling party

The directors consider there to be no ultimate controlling party.