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AMENDED

Company registration number 11632462 (England and Wales)

AAVE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

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AAVE LIMITED

COMPANY INFORMATION

Director	S Kulechov
Company number	11632462
Registered office	71-75 Shelton Street Covent Garden London WC2H 9JQ
Auditor	Wilson Wright LLP Chartered Accountants 5 Fleet Place London EC4M 7RD

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AAVE LIMITED

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AAVE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The director presents the strategic report for the period ended 31 December 2020.

Fair review of the business
A summary of the period's trading results is given on page 8. The company's turnover has almost quadrupled compared with the prior period as a result of increased software development activities undertaken.

The company continued to design and build its electronic money issuing solution following the grant by the FCA of an Electronic Money Institute (EMI) licence in July 2020.

At the end of 2021, there was a a corporate reorganisation, that included the incorporation of a group employment company, Avara People Limited. The aim of this entity is to be the employment vehicle for all UK employees and non-UK service providers of the group non directly involved in our EMI product.

In April 2022, a TUPE transfer happened for some employees of Aave Limited to Avara People Limited.

Principal risks and uncertainties
Aside from the risks that exist in the software development sector, the key business risks facing the company are:

Credit Risk
As the company's revenue is entirely derived from a small number of clients, the risk relating to the default with the receipt of income from that counterparty. This risk is managed through regular dialogue to ensure the company maintains sufficient working capital to meet its liabilities as they fall due;

Currency Risk
The company is exposed to fluctuations of sterling against other currencies or cryptocurrencies. Management review this risk on a regular basis.

Risk as a result of the Covid-19 pandemic
The director has considered the impact of the Covid-19 outbreak and does not believe this to have a material impact on going concern.

Key performance indicators
Key performance indicators are as follows:

	2020	2019
	£	£
Revenue	693,484	177,142
Profit/(loss) for the financial year	10,180	(118,585)
Net assets	200,409	190,229

AAVE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Statement by the Director in performance of his duties in accordance with s172(1) Companies Act 2006
The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 and include a duty to promote the success of the Company and are summarised as follows:

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

- *the likely consequences of any decision 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 the environment,*
- *the desirability of the company maintaining a reputation for high standards of business conduct, and*
- *the need to act fairly as between members of the company.'*

The following paragraphs summarise how the Director fulfils his duties:

Risk Management

We provide software development services to our clients across multiple jurisdictions. As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management. Alongside the principal risks set out above we engage external consultants and advisors to ensure that we monitor and maintain an effective oversight of regulatory changes and compliance with our ongoing legal and regulatory requirements.

Our People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients and the community as a whole. People are fundamental to our business so, in order to succeed, we need to manage our people's performance and develop their talent whilst rewarding them appropriately and ensuring we operate as efficiently as possible. Alongside this we look to share common values that inform and guide our behaviour so that we achieve our goals in the right way. Being a relatively small company with less than 10 employees we achieve this through regular dialogue and events with employees which allows all staff to share our common values.

Business Relationships

As a key requirement for building the business of the Company, the Board is very aware of the need to foster good relationships with clients, the community and other important stakeholders. The Board looks to discharge these duties by engaging in regular dialogue with both customers and service providers and attending industry events to further build and gain new relationships with key people within the industry.

Community and Environment

The Company's approach is to use our position as software developer to ensure that those businesses interact with their local communities in a beneficial and environmentally friendly manner. The Company also looks to make a positive impact on under privileged parts of society through regular charitable donations.

Maintaining a reputation for high standards of business conduct

As a Director, my intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and, which in doing so, will help the business grow over the coming years.

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AAVE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

On behalf of the board

DocuSigned by:
Stanislav Kulechov
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S Kulechov
Director

Date: 11/9/2022

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AAVE LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the period ended 31 December 2020.

Principal activities
The principal activity of the company continued to be that of software development.

Results and dividends
The results for the period are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director
The director who held office during the period and up to the date of signature of the financial statements was as follows:

S Kulechov

Future developments
As of 31 December 2020, there are no future developments planned which are outside of the current course of business. The company will continue to trade and carry on its operations as normal.

Auditor
In accordance with the company's articles, a resolution proposing that Wilson Wright LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report
As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of director's responsibilities
The director is responsible for preparing the annual 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;
- 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 them 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.

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AAVE LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:
Stanislav Kulechov
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S Kulechov
Director

Date: 11/9/2022

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AAVE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF AAVE LIMITED

Opinion

We have audited the financial statements of Aave Limited (the 'company') for the period ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and 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 Financial Reporting Standard 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 company's affairs as at 31 December 2020 and of its profit for the period 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

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AAVE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF AAVE LIMITED

Matters on which we are required to report by exception

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 strategic report or 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.

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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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.

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

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Wilson Wright LLP

Jeremy Asher FCA (Senior Statutory Auditor)
For and on behalf of Wilson Wright LLP
Chartered Accountants and Statutory Auditor
5 Fleet Place
London
EC4M 7RD

Date: 10 November 2022

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AAVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Period ended 31 December 2020 £	Period ended 31 October 2019 £
Turnover	3	693,484	177,142
Administrative expenses		(683,304)	(295,727)
Profit/(loss) before taxation		10,180	(118,585)
Tax on profit/(loss)	8	-	-
Profit/(loss) for the financial period		10,180	(118,585)

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AAVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	31 December 2020 £	£	31 October 2019 £	£
Fixed assets					
Intangible assets	9		3,250		4,417
Tangible assets	10		8,819		157
			12,069		4,574
Current assets					
Debtors	11	285,105		211,634	
Cash at bank and in hand		82,334		6,177	
		367,439		217,811	
Creditors: amounts falling due within one year	12	(179,099)		(32,156)	
Net current assets			188,340		185,655
Net assets			200,409		190,229
Capital and reserves					
Called up share capital	14		308,814		308,814
Profit and loss reserves			(108,405)		(118,585)
Total equity			200,409		190,229

The financial statements were approved and signed by the director and authorised for issue on 11/9/2022

DocuSigned by:
Stanislav Kulechov
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S Kulechov
Director

Company Registration No. 11632462

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AAVE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 19 October 2018		-	-	-
Period ended 31 October 2019:				
Loss and total comprehensive income for the period		-	(118,585)	(118,585)
Issue of share capital	14	308,814	-	308,814
Balance at 31 October 2019		308,814	(118,585)	190,229
Period ended 31 December 2020:				
Profit and total comprehensive income for the period		-	10,180	10,180
Balance at 31 December 2020		308,814	(108,405)	200,409

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AAVE LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		85,412		(297,457)
Investing activities					
Purchase of intangible assets		-		(5,000)	
Purchase of tangible fixed assets		(9,255)		(180)	
Net cash used in investing activities			(9,255)		(5,180)
Financing activities					
Proceeds from issue of shares		-		308,814	
Net cash (used in)/generated from financing activities			-		308,814
Net increase in cash and cash equivalents			76,157		6,177
Cash and cash equivalents at beginning of period			6,177		-
Cash and cash equivalents at end of period			82,334		6,177

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1 Accounting policies

Company information

Aave Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

1.1 Reporting period

The company is reporting a period of longer than one year to align the period end of all companies under common control. The company intends to report to 31 December each year.

1.2 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.

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.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has positive net assets and access to support from the parent company if required. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

The director has considered the impact of the Covid-19 outbreak and does not believe this to have a material impact on going concern.

1.4 Turnover

Turnover consists of intercompany services performed in respect of software development. Revenue for the period is based on project related costs recharged at a mark-up of 10%.

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

1.5 *Development expenditure*

Development expenditure is written off against profits in the year in which it is incurred.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents & licences	20% on cost

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1 Accounting policies **(Continued)**

1.7 Tangible fixed assets

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

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

Fixtures and fittings	25% reducing balance
Computers	25% reducing balance

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

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of income, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

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

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

AAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.13 Retirement benefits

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

1.14 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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

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AAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

3 Turnover

	2020	2019
	£	£
Turnover analysed by class of business		
Software development	693,484	177,142

	2020	2019
	£	£
Turnover analysed by geographical market		
Europe	693,484	177,142

4 Operating profit/(loss)

	2020	2019
Operating profit/(loss) for the period is stated after charging:	£	£
Exchange losses	2,392	1,887
Depreciation of owned tangible fixed assets	593	23
Amortisation of intangible assets	1,167	583
Operating lease charges	62,805	26,963

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	8,500	-

6 Employees

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

	2020	2019
	Number	Number
Total	6	5

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	427,765	216,431
Social security costs	46,133	17,735
Pension costs	6,053	2,793
	479,951	236,959

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7 Director's remuneration

	2020	2019
	£	£
Remuneration for qualifying services	70,000	40,000

8 Taxation

	2020	2019
	£	£
Total tax charge	-	-

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	10,180	(118,585)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,934	(22,531)
Tax effect of expenses that are not deductible in determining taxable profit	1,485	47
Tax effect of utilisation of tax losses not previously recognised	(1,777)	-
Unutilised tax losses carried forward	-	22,514
Permanent capital allowances in excess of depreciation	(1,642)	(30)
Taxation charge for the period	-	-

The company has estimated UK tax losses of £109,000 (2020 - £118,000) available for carry forward against future profits.

Factors that may affect future tax charges:
An increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was substantially enacted on 24 May 2021.

AAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

9 Intangible fixed assets

	Patents & licences
	£
Cost	
At 1 November 2019 and 31 December 2020	5,000
Amortisation and impairment	
At 1 November 2019	583
Amortisation charged for the period	1,167
At 31 December 2020	1,750
Carrying amount	
At 31 December 2020	3,250
At 31 October 2019	4,417

10 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 November 2019	130	50	180
Additions	629	8,626	9,255
At 31 December 2020	759	8,676	9,435
Depreciation and impairment			
At 1 November 2019	16	7	23
Depreciation charged in the period	50	543	593
At 31 December 2020	66	550	616
Carrying amount			
At 31 December 2020	693	8,126	8,819
At 31 October 2019	114	43	157

11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by related parties	124,480	92,959
Other debtors	21,783	21,469
Prepayments and accrued income	138,842	97,206
	285,105	211,634

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12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	10,330	4,233
Amounts owed to group undertakings	101,577	-
Taxation and social security	32,010	10,471
Other creditors	35,182	17,452
	179,099	32,156

13 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	6,053	2,793

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

Ordinary share capital	2020 Number	2019 Number	2020 £	2019 £
Issued and fully paid				
1,000,000 Ordinary shares of €0.35 each	1,000,000	1,000,000	308,814	308,814

AAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

15 Related party transactions

Transactions with related parties

	Sales 2020 £	Sales 2019 £
Other related parties	693,484	177,142

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020 £	2019 £
Other related parties	101,577	-

Amounts due from related parties	2020 £	2019 £
Entities with control, joint control or significant influence over the company	79,715	79,715
Other related parties	44,765	13,244

16 Ultimate controlling party

During the period the parent company was Aave SAGL. Since October 2022, the ultimate parent company is Bear Holdings (Cayman), a company incorporated in the Cayman Islands. The registered office of the company is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008.

The ultimate controlling party is the director S Kulechov.

17 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Profit/(loss) for the period after tax	10,180	(118,585)
Adjustments for:		
Amortisation and impairment of intangible assets	1,167	583
Depreciation and impairment of tangible fixed assets	593	23
Movements in working capital:		
Increase in debtors	(73,471)	(211,634)
Increase in creditors	146,943	32,156
Cash generated from/(absorbed by) operations	85,412	(297,457)

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18 Analysis of changes in net funds

	1 November 2019	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	6,177	76,157	82,334