

HOWSY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JANUARY 2020

HOWSY LIMITED
REGISTERED NUMBER: 08845607

BALANCE SHEET
AS AT 31 JANUARY 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	4		693,739		4,905
Tangible assets	5		85,539		30,429
Investments	6		319,571		-
			1,098,849		35,334
Current assets					
Debtors		1,018,298		121,187	
Cash at bank and in hand		30,205		462,244	
		1,048,503		583,431	
Creditors: amounts falling due within one year		(1,258,867)		(140,280)	
Net current (liabilities)/assets			(210,364)		443,151
Total assets less current liabilities					
			888,485		478,485
Creditors: amounts falling due after more than one year			(700,000)		(1,450,741)
Net assets/(liabilities)			188,485		(972,256)
Capital and reserves					
Called up share capital			28		19
Share premium account			7,212,588		2,289,425
Profit and loss account			(7,024,131)		(3,261,700)
Net assets/(liabilities)			188,485		(972,256)

HOWSY LIMITED
REGISTERED NUMBER: 08845607

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2021.

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C Brannan
Director

The notes on 3 - 8 form part of these financial statements.

HOWSY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

1. General information

Howsy Limited is a company limited by shares, incorporated in England and Wales. The registered address is 27-33 Bethnal Green Road, London, England, E1 6LA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At the year end the Company had net assets of £188,485 (2019: net liabilities of £972,256) and made a loss in the year. The financial statements have been prepared on a going concern basis given the continued support of its shareholders.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

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

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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.

2.7 Borrowing costs

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

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in 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 Company in independently administered funds.

2.9 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 operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

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:

Short-term leasehold property	- 2 years
Plant and machinery	- Full depreciation at purchase
Fixtures and fittings	- 5 years
Computer equipment	- 4 years

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 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2019 - 20).

HOWSY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

4. Intangible assets

	Website £	Computer software £	Goodwill £	Total £
Cost				
At 1 February 2019	8,538	-	-	8,538
Additions	-	5,000	-	5,000
On acquisition of subsidiaries	-	-	702,200	702,200
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2020	8,538	5,000	702,200	715,738
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 February 2019	3,633	-	-	3,633
Charge for the year on owned assets	1,429	-	16,937	18,366
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2020	5,062	-	16,937	21,999
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 January 2020	<u>3,476</u>	<u>5,000</u>	<u>685,263</u>	<u>693,739</u>
At 31 January 2019	<u>4,905</u>	<u>-</u>	<u>-</u>	<u>4,905</u>

HOWSY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 February 2019	5,558	1,271	4,062	26,405	37,296
Additions	34,400	1,670	11,548	39,224	86,842
Disposals	-	-	(2,978)	(4,738)	(7,716)
At 31 January 2020	<u>39,958</u>	<u>2,941</u>	<u>12,632</u>	<u>60,891</u>	<u>116,422</u>
Depreciation					
At 1 February 2019	766	1,271	-	4,830	6,867
Charge for the year on owned assets	11,243	1,670	2,196	9,321	24,430
Disposals	-	-	(414)	-	(414)
At 31 January 2020	<u>12,009</u>	<u>2,941</u>	<u>1,782</u>	<u>14,151</u>	<u>30,883</u>
Net book value					
At 31 January 2020	<u>27,949</u>	<u>-</u>	<u>10,850</u>	<u>46,740</u>	<u>85,539</u>
At 31 January 2019	<u>4,792</u>	<u>-</u>	<u>4,062</u>	<u>21,575</u>	<u>30,429</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	319,571
At 31 January 2020	<u>319,571</u>

HOWSY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

7. Commitments under operating leases

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

	2020 £	2019 £
Not later than 1 year	152,864	-
Later than 1 year and not later than 5 years	75,080	-
	<u>227,944</u>	<u>-</u>

8. Post balance sheet events

The directors have considered the impact of the global Covid-19 pandemic on the ability of the company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

The Company received £2,346,350 on 2 September 2020 in respect of convertible loan notes using the Government Future Fund scheme.

The Company acquired 100% of the share capital of another entity, The Happy Tenant Company, on 4 September 2020 for total consideration of £457,296.

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