

Unaudited Financial Statements

Emoov Limited

For the Period Ended 30 April 2017

Registered number: 07118826

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Grant Thornton

Report to the directors on the preparation of the unaudited statutory financial statements of Emoov Limited for the period ended 30 April 2017

We have compiled the accompanying financial statements of Emoov Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Emoov Limited as at 30 April 2017, the Profit and Loss Account for the period then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Emoov Limited, as a body, in accordance with the terms of our engagement letter dated 12 July 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Emoov Limited and state those matters that we have agreed to state to the Board of Directors of Emoov Limited, as a body, in this report in accordance with our engagement letter dated 12 July 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Emoov Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and the republic of Ireland. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Ipswich

Date: *10 April 2018*

Emoov Limited
Registered number:07118826

Balance Sheet

As at 30 April 2017

	Note	30 April 2017 £	As restated 31 October 2016 £
Fixed assets			
Intangible assets	3	595,409	485,824
Tangible assets	4	53,225	56,267
		<u>648,634</u>	<u>542,091</u>
Current assets			
Debtors: amounts falling due within one year	5	154,096	470,282
Cash at bank and in hand	6	710,319	466,767
		<u>864,415</u>	<u>937,049</u>
Creditors: amounts falling due within one year	7	(1,909,040)	(1,182,884)
Net current liabilities		<u>(1,044,625)</u>	<u>(245,835)</u>
Total assets less current liabilities		<u>(395,991)</u>	<u>296,256</u>
Creditors: amounts falling due after more than one year	8	(187,833)	(572,152)
Net liabilities		<u><u>(583,824)</u></u>	<u><u>(275,896)</u></u>

Emoov Limited
Registered number:07118826

Balance Sheet (continued)

As at 30 April 2017

	Note	30 April 2017 £	31 October 2016 £
Capital and reserves			
Called up share capital	10	421	386
Share premium account	11	8,067,455	5,902,202
Share based payment reserve	11	1,044,367	400,271
Warrant reserve	11	86,148	86,148
Other reserves	11	305,158	305,158
Profit and loss account	11	<u>(10,087,373)</u>	<u>(6,970,061)</u>
		<u>(583,824)</u>	<u>(275,896)</u>

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 period in question in accordance with section 476 of 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.

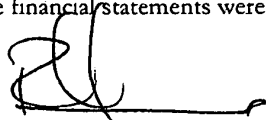
The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 9 April

2018



R Quirk
Director

The notes on pages 4 to 13 form part of these financial statements.

Notes to the Financial Statements

For the Period Ended 30 April 2017

1. General information

Emoov Limited is a private company limited by shares incorporated in England and Wales. The registered office address is Fourth Floor, Copenhagen House, 5-10 Bury Street, London, EC3A 5AT.

The company's principal activity during the year continued to be that of a hybrid estate agent.

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 financial statements are prepared in pound sterling which is the functional currency of the company and are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have continued to review the Company's cash flow forecasts and consider that significant additional funding will be required in order for the company to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements. After appropriate consideration of prospective equity funding considered likely to complete within the next 3 months along with ongoing discussions with investors regarding funding beyond this period the directors have concluded that the Company will have sufficient cash available to meet its ongoing commitments for at least the next 12 months from the date of approval of these financial statements and have therefore prepared the accounts on the going concern basis.

2.3 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.

Notes to the Financial Statements

For the Period Ended 30 April 2017

2. Accounting policies (continued)

2.4 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.

2.5 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	- 5 years straight line
Fixtures and fittings	- 5 years straight line
Office equipment	- 3 years straight line
Computer equipment	- 3 years straight line

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 the Statement of comprehensive income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Period Ended 30 April 2017

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Notes to the Financial Statements

For the Period Ended 30 April 2017

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income 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.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

2.14 Taxation

Tax is recognised in the Statement of comprehensive income, 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.

2.15 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.

Emoov Limited

Notes to the Financial Statements

For the Period Ended 30 April 2017

3. Intangible assets

	Website development £
Cost	
At 1 November 2016 (as previously stated)	583,111
Prior Year Adjustment	(48,557)
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At 1 November 2016 (as restated)	534,554
Additions	211,587
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At 30 April 2017	746,141
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Amortisation	
At 1 November 2016 (as previously stated)	94,364
Prior Year Adjustment	(45,634)
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At 1 November 2016 (as restated)	48,730
Charge for the period	102,001
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At 30 April 2017	150,731
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Net book value	
At 30 April 2017	595,410
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At 31 October 2016 (as restated)	485,824
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Notes to the Financial Statements

For the Period Ended 30 April 2017

4. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 November 2016 (as previously stated)	2,441	27,467	21,081	76,986	127,975
Prior Year Adjustment	-	-	(3,500)	234	(3,266)
At 1 November 2016 (as restated)	2,441	27,467	17,581	77,220	124,709
Additions	-	384	5,838	2,744	8,966
Disposals	-	-	-	(235)	(235)
At 30 April 2017	2,441	27,851	23,419	79,729	133,440
Depreciation					
At 1 November 2016 (as previously stated)	2,441	9,606	8,846	29,685	50,578
Prior Year Adjustment	(204)	(164)	2,296	15,936	17,864
At 1 November 2016 (as restated)	2,237	9,442	11,142	45,621	68,442
Charge for the period on owned assets	163	2,057	1,734	7,818	11,772
At 30 April 2017	2,400	11,499	12,876	53,439	80,214
Net book value					
At 30 April 2017	41	16,352	10,543	26,290	53,226
At 31 October 2016 (as restated)	204	18,025	6,439	31,599	56,267

Notes to the Financial Statements

For the Period Ended 30 April 2017

5. Debtors

	30 April 2017 £	As restated 31 October 2016 £
Trade debtors	44,481	64,604
Amounts owed by joint ventures and associated undertakings	-	3,260
Other debtors	13,765	27,688
Prepayments and accrued income	95,850	82,802
Tax recoverable	-	291,928
	<u>154,096</u>	<u>470,282</u>

6. Cash and cash equivalents

	30 April 2017 £	31 October 2016 £
Cash at bank and in hand	710,319	466,767
	<u>710,319</u>	<u>466,767</u>

7. Creditors: Amounts falling due within one year

	30 April 2017 £	As restated 31 October 2016 £
Bank loans	447,727	-
Trade creditors	823,182	646,553
Amounts owed to other participating interests	3,419	4,003
Other taxation and social security	150,492	311,026
Other creditors	1,763	610
Accruals and deferred income	482,457	220,692
	<u>1,909,040</u>	<u>1,182,884</u>

Notes to the Financial Statements

For the Period Ended 30 April 2017

8. Creditors: Amounts falling due after more than one year

	30 April 2017 £	As restated 31 October 2016 £
Bank loans	-	404,444
Other loans	187,833	167,708
	<u>187,833</u>	<u>572,152</u>

9. Loans

Analysis of the maturity of loans is given below:

	30 April 2017 £	As restated 31 October 2016 £
Amounts falling due within one year		
Bank loans	447,727	-
	<u>447,727</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	-	404,444
	<u>-</u>	<u>404,444</u>
Amounts falling due 2-5 years		
Other loans	187,833	167,708
	<u>187,833</u>	<u>167,708</u>
	<u>635,560</u>	<u>572,152</u>

Notes to the Financial Statements

For the Period Ended 30 April 2017

10. Share capital

	30 April 2017	31 October 2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
11,294,000 A Ordinary shares of £0.00001 each	113	113
12,648,708 (2016 - 11,229,081) B Ordinary shares of £0.00001 each	127	112
15,517,922 (2016 - 13,796,000) Seed shares shares of £0.00001 each	155	138
2,593,041 (2016 - 2,395,260) C Ordinary shares of £0.00001 each	26	23
	<u>421</u>	<u>386</u>

During the period the company allotted and issued the following shares:

1,419,627 Class B Shares of £0.00001 each, with an aggregate nominal value of £15 for a total consideration of £968,999.

1,721,427 Seed Shares of £0.00001 each, with an aggregate nominal value of £17 for a total consideration of £1,175,000.

197,781 Class C Shares of £0.00001 each, with a aggregate nominal value of £2 for a total consideration of £135,000.

11. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share based payment reserve

This reserve comprises all the current and prior years share based payment costs.

Warrant reserve

This reserve comprises the fair value of the share warrants issued in relation to bank loans.

Other reserves

This reserve comprises adjustments to recognise interest free loans at fair value.

Profit and loss account

This reserve comprises all current and prior years' retained profits and losses.

Notes to the Financial Statements

For the Period Ended 30 April 2017

12. Share based payments

The options activity under the share option plan are as follows:

	30 April Weighted average exercise price (pence) 2017	30 April Number 2017	31 October Weighted average exercise price (pence) 2016	31 October Number 2016
Outstanding at the beginning of the period	0.001	1,344,580	0.001	2,353,000
Granted during the period	0.001	1,946,361	0.001	1,344,580
Forfeited during the period	0.001	(122,040)	0.001	(2,059,000)
Exercised during the period	0.001	(181,390)	0.001	(294,000)
Expired during the period	0.001	-	0.001	-
Outstanding at the end of the year	0.001	2,987,511	0.001	1,344,580

	30 April 2017 Black Scholes	31 October 2016 Black Scholes
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price (pence)	68	52
Exercise price (pence)	0.001	0.001
Weighted average contractual life (years)	8.57	8
Expected volatility	80%	80%
Expected dividend growth rate	0%	0%
Risk-free interest rate	1.088%	1.598%

13. Prior year adjustment

During the period, it has been identified that various items including revenue and share based payments were not being accounted for in accordance with the requirements of Financial Reporting Standard 102. Adjustments have been made in order to correct the treatment of these items, this has resulted in a reduction in reserves as at 1 January 2016 of £11,502, an increase in the loss for the period ended 31 October 2016 of £493,809 and a reduction in reserves of £505,311 as at 31 October 2016.