

Bud Financial Limited

Financial Statements

For Filing with Registrar

For the year ended 30 November 2019

Company Registration No. 09651629 (England and Wales)

Bud Financial Limited

Company Information

Directors	E Maslaveckas G Dunning R Warlop S Fink R Bhatia	(Appointed 27 January 2020) (Appointed 3 October 2019) (Resigned and reappointed 27 January 2020)
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Company number	09651629
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Registered office	First Floor The Bower 207 Old Street London England EC1V 9NR
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Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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Bud Financial Limited

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Bud Financial Limited

Balance Sheet

As at 30 November 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4		186,733		142,049
Current assets					
Debtors	5	1,855,953		1,044,753	
Cash at bank and in hand		5,857,416		8,024,238	
			7,713,369		9,068,991
Creditors: amounts falling due within one year	6	(513,053)		(1,288,522)	
Net current assets			7,200,316		7,780,469
Total assets less current liabilities			7,387,049		7,922,518
Capital and reserves					
Called up share capital	8		1,496		1,265
Share premium account			17,771,691		10,697,876
Profit and loss reserves			(10,386,138)		(2,776,623)
Total equity			7,387,049		7,922,518

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 13 March 2020 and are signed on its behalf by:

E Maslaveckas
Director

Company Registration No. 09651629

Bud Financial Limited

Statement of Changes in Equity

For the year ended 30 November 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 30 November 2018:					
Loss and total comprehensive income for the year		-	-	(2,134,257)	(2,134,257)
Issue of share capital	8	302	8,733,007	-	8,733,309
Credit to equity for equity settled share-based payments	7	-	-	277,484	277,484
Redemption of shares	8	(18)	-	-	(18)
Balance at 30 November 2018		<u>1,265</u>	<u>10,697,876</u>	<u>(2,776,623)</u>	<u>7,922,518</u>
Period ended 30 November 2019:					
Loss and total comprehensive income for the year		-	-	(8,538,941)	(8,538,941)
Issue of share capital	8	231	7,073,815	-	7,074,046
Credit to equity for equity settled share-based payments	7	-	-	929,426	929,426
Balance at 30 November 2019		<u>1,496</u>	<u>17,771,691</u>	<u>(10,386,138)</u>	<u>7,387,049</u>

Bud Financial Limited

Notes to the Financial Statements

For the year ended 30 November 2019

1 Accounting policies

Company information

Bud Financial Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor The Bower, 207 Old Street, London, EC1V 9NR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The 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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company made a loss after taxation in the year of £8,538,941 (2018: £2,134,257) but had net assets as at 30 November 2019 of £7,387,049 (2018: £7,922,518). The company is forecast to make further losses in the year ended 30 November 2020 as it invests in the development of its technology.

The Directors are currently in discussions with certain current shareholders to provide additional funds for investment and whilst there can be no certainty in this respect, the directors are confident that this additional funding will be able to be obtained.

In the event that further funding is unable to be obtained, the directors would seek to reduce the cost base of the Company. The Directors have prepared cash flow forecasts which show that the Company has sufficient cash flow to continue trading for at least twelve months from the date of signing of these accounts in the event either that further funding is obtained or the cost base of the company can be reduced. As a result the financial statements have been prepared on the going concern basis.

1.3 Turnover

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. The fair value of consideration takes into account trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

1 Accounting policies

(Continued)

1.4 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:

Leasehold improvements	Over UEL of lease
Office equipment	3 years straight line
Other equipment	1 year straight line

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 profit or loss.

1.5 Cash and cash equivalents

Cash at bank and in hand 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.

1.6 Financial instruments

The company has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measures at fair value.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

1.10 Retirement benefits

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

1.11 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 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 are included in the profit and loss account for the period.

1.14 Research and development costs

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

2 Exceptional costs

	2019	2018
	£	£
Redundancy costs	329,120	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 82 (2018 - 34).

4 Tangible fixed assets

	Leasehold improvements	Office equipment	Other equipment	Total
	£	£	£	£
Cost				
At 1 December 2018	30,431	164,138	-	194,569
Additions	-	138,127	8,424	146,551
Disposals	-	(6,596)	(2,832)	(9,428)
At 30 November 2019	30,431	295,669	5,592	331,692
Depreciation and impairment				
At 1 December 2018	9,536	42,984	-	52,520
Depreciation charged in the year	10,447	84,236	4,384	99,067
Eliminated in respect of disposals	-	(5,314)	(1,314)	(6,628)
At 30 November 2019	19,983	121,906	3,070	144,959
Carrying amount				
At 30 November 2019	10,448	173,763	2,522	186,733
At 30 November 2018	20,895	121,154	-	142,049

5 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	421,200	180,000
Corporation tax recoverable	984,218	327,314
Other debtors	450,535	537,439
	1,855,953	1,044,753

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	135,791	624,089
Other taxation and social security	189,493	114,806
Other creditors	187,769	549,627
	<u>513,053</u>	<u>1,288,522</u>
	<u><u>513,053</u></u>	<u><u>1,288,522</u></u>

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

7 Share-based payment transactions

Options are granted to UK employees for equity shares in the company. These were as follows.

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 December 2018	171,361	125,337	7.78	6.91
Granted	121,642	54,538	30.89	8.66
Forfeited	(153,691)	-	8.54	-
Expired	-	(8,514)	-	6.53
Outstanding at 30 November 2019	<u>139,312</u>	<u>171,361</u>	<u>30.89</u>	<u>7.52</u>
Exercisable at 30 November 2019	<u>120,661</u>	<u>47,902</u>	<u>-</u>	<u>6.39</u>

The options outstanding at 30 November 2019 had an exercise price ranging from £1.56 to £7.25, and a remaining contractual life of 3 years.

At the balance sheet date, directors hold 53,768 (2018: 52,808) share options issued in the period. The average weighted market value of these options at the grant date was £30.89 and they have an average weighted exercise price of £1.56.

The weighted average fair value of options granted during the year was £29.36. Fair value was measured using the Black-Scholes option pricing model.

Inputs were as follows:

	2019	2018
Weighted average share price	30.89	6.96
Weighted average exercise price	1.56	6.96
Expected volatility	0.54	0.62
Expected life	3.00	3.00
Risk free rate	0.70	0.71

Bud Financial Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2019

8 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
500,019 Ordinary A shares of 0.1p each	500	500
312,560 Ordinary B shares of 0.1p each	312	312
	<u>812</u>	<u>812</u>
Preference share capital		
Issued and fully paid		
165,517 Preference C shares of 0.1p each	166	166
375,123 Preference D shares of 0.1p each	375	287
143,146 Preference D2 shares of 0.1p each	143	-
	<u>684</u>	<u>453</u>

9 Audit report information

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

Our audit report refers to a material uncertainty regarding going concern and draws attention to note 1.2 of the accounts which indicates that the company is seeking additional funding from certain shareholders. Whilst the directors are confident funding will be able to be obtained, there can be no certainty in this respect and in the event funding is not obtained the directors will need to seek to reduce the company's cost base. These events or conditions, along with other matters set out in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Valerie Cazalet.

The auditor was Moore Kingston Smith LLP.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Within one year	348,156	269,260
Between two and five years	-	99,666
	<u>348,156</u>	<u>368,926</u>

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.