

Bought By Many Ltd

Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 07886430



Bought By Many Ltd

Company Information

Directors	Mr G Farley Mr S P Mendel L C Barile (appointed 9 October 2020)
Registered number	07886430
Registered office	Unit 1b 1-10 Summers Street London England EC1R 5BD
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Bought By Many Ltd

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Bought By Many Ltd

Strategic Report For the Year Ended 31 March 2021

We are Bought By Many. Making the world a better place for pets and their parents.

Born in 2012 as a digital introducer, Bought By Many (The Company) cut its teeth by helping consumers access better niche insurance deals from a range of providers.

The Company moved into pet insurance in February 2017 and immediately began to modernize this substantial but often-ignored category. It removed complicated and confusing language to make it simpler for customers to understand what their policy will cover. Significant growth has been achieved by investing in technology, operations and products, developing an efficient infrastructure, building an online presence and adopting new commercial practices, all while retaining a fast and flexible ethos.

The result is unique, quality pet insurance delivered through award-winning levels of service. The Company continues to improve on how owners can take care of their pets' health, by using data insights, customer feedback and by constantly identifying new ways to support its customers.

The Company now covers over 400,000 pets across UK, Sweden and the US, which launched in March 2021, having received over 10,000 5-star reviews in the past 12 months.

The Bought By Many team continues to grow, with over 250 staff, in offices across the UK, Sweden and the US.

Business review

Bought By Many continues to record substantial growth and in April 2020, the business raised £78.4m (\$97.75m) in a Series C funding round. The growth equity financing has fuelled Bought By Many's customer acquisition and has increased market share in the UK enabling further evolution of its product and world-class claims experience. The Company plans further international expansion, with launches into new territories, replicating its success in the UK and Sweden.

As an agile, tech-focused firm, Bought By Many was well positioned to cope with the Covid-19 pandemic and lockdown. All its customer service executives went from office working to taking calls at home overnight. It remained open for business and maintained the same high service levels that its customers have come to love and expect.

Bought By Many continually updates and improves its policies. Recently it focused its customer-centric product and design teams to help customers who were financially impacted by Covid-19. In just eight days, it developed and launched a new 'Essential' product to provide core cover and services at a reduced premium.

Principal risks and uncertainties

Bought By Many is currently making a loss as it continues to make significant financial investment to grow in the UK, Sweden and US as well as fund further international expansion.

Its success and ability to grow depends on retaining and expanding its customer base - by adding new customers and maintaining its very high customer retention rates the business will continue to grow revenue, operating results, and financial strength.

The investment in growth results in substantial capital requirements. The company completed its Series D funding in May 2021. Under the current growth plans, this investment is expected to provide cash runway for at least the next 3 years. The Directors believe that the business would become cash generative much more quickly if the Company chose to follow a lower growth model.

Bought By Many, as an insurance intermediary, is dependent on its relationships with insurance carriers who bear the underwriting risk and are ultimately responsible for the fulfilment of the customers insurance contract. Its insurance carriers may choose to limit its ability to write new business and / or require significant changes to the products and pricing, which may impact Bought By Many's competitiveness.

Bought By Many Ltd

Strategic Report (continued) For the Year Ended 31 March 2021

Bought By Many is subject to extensive insurance industry regulation, and any failure to comply in full or in part with regulatory requirements could result in fines, revocation of licenses to operate in one or more jurisdictions or other penalties, any one of which could have a material adverse effect on its financial condition and result of operations. Existing regulations, or their interpretation or application, could change or new regulations could be adopted, any of which could require the Company to incur additional costs or devote additional resources to compliance.

Pet insurance is a competitive industry: to continue to grow Bought By Many must maintain strong customer advocacy and continually improve its offerings to stay ahead of the competition.

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



L C Barile
Director

Date: 21st July 2021

Bought By Many Ltd

Directors' Report For the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bought By Many Ltd

Directors' Report (continued) For the Year Ended 31 March 2021

Results and dividends

The loss for the year, after taxation, amounted to £22,084,065 (2020 - loss £18,303,265).

Going Concern

The Directors have been monitoring the impact of Covid-19 both directly on the Company's business and indirectly e.g., through UK government policy/advice and the development of the situation around the world. Although the Company has not experienced any negative impact from Covid-19 on its commercial activities or operations to date, it continues to monitor the market to quickly identify and react to any potential change in consumer behaviour (e.g., changes in requirements for pet insurance products or claims behaviours).

Operations

Following UK Government advice around non-essential travel all employees have been working remotely since March 2020 and will continue until further notice. Communication continues to be vital to the Company, both internally and externally, and the Group's IT infrastructure can support working under this approach for the foreseeable future. Additionally, the Directors have obtained assurances that the Company's framework of controls for the prevention and detection of fraud and/or error are not adversely impacted by remote working.

Business Activity

The nature of the classes underwritten allow The Company to have a minimal impact on claims directly due to Covid-19. Therefore, no changes to the Company's insurance capacity are expected.

Liquidity Risk

The Directors have considered the recoverability of the Company's insurance related asset balances and are confident they will continue to be recovered under the normal operational terms of trade. It is also considered that sufficient resources are in place to settle the Company's operational costs as they continue to fall due. The modelled output of certain future stressed scenarios has been assessed by the Directors as part of their approach in reaching these conclusions. All cash is held with banks and there are no restrictions on access to this.

The Directors are currently satisfied that the Company has sufficient resources to continue to meet its liabilities for the foreseeable future and therefore consider the business a going concern.

Directors

The directors who served during the year were:

Mr G Farley

Mr S P Mendel

Mr M Ferguson (resigned 29 January 2021)

Mr R Thomson (resigned 1 May 2020)

Mr P Morgenthaler (resigned 1 May 2020)

L C Barile (appointed 9 October 2020)

Mr D Schapiro (resigned 29 January 2021)

Mr P M Teixeira Da Mota (appointed 1 May 2020, resigned 29 January 2021)

Mr M W Vostrizansky (appointed 1 May 2020, resigned 29 January 2021)

Mr J H Sutcliffe (appointed 17 March 2020, resigned 29 January 2021)

Bought By Many Ltd

Directors' Report (continued) For the Year Ended 31 March 2021

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Post balance sheet events

Subsequent to the year end, the Company completed a series D fundraising from new and existing investors, attracting a total of £270m of funding.

Auditors

The auditors, BDO LLP, 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.



L C Barile
Director

Date: 21st July 2021

Bought By Many Ltd

Independent Auditor's report to Bought By Many Ltd

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit 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.

We have audited the financial statements of Bought By Many Ltd (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of 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).

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 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 Company's 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 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 Company with respect to going concern are described in the relevant sections of this report.

Other information

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

Bought By Many Ltd

Independent Auditor's report to Bought By Many Ltd (continued)

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

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 Directors' Report.

We have nothing to report in respect of the following matters where The Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 Statement of Directors' responsibilities out on page 3, 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 are 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 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 Company or to cease operations, or have 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.

Bought By Many Ltd

Independent Auditor's report to Bought By Many Ltd (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company's operations and the control environment in monitoring compliance with laws and regulations;
- Review of correspondence with the Financial Conduct Authority (FCA);
- Our responses to significant audit risks over management override of controls are intended to sufficiently address the risk of fraudulent manipulation. Specially we review manual adjustments made to the financial statements and the application of various estimation techniques;
- Enquiries of management;
- Review of minutes of board meetings throughout the period; and
- Agreement of the financial statement disclosures to underlying supporting documentation.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.)

DocuSigned by:



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Thomas Reed (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

United Kingdom

Date: 28 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bought By Many Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	35,028,838	15,420,996
Cost of sales		(5,627,695)	(2,342,085)
Gross profit		29,401,143	13,078,911
Administrative expenses		(52,293,431)	(32,398,316)
Operating loss	5	(22,892,288)	(19,319,405)
Other operating income		995,000	1,175,830
Interest receivable and similar income	9	44,983	21,426
Interest payable and expenses	10	(476,136)	(267,257)
Loss before tax		(22,328,441)	(18,389,406)
Tax on loss		244,376	86,141
Loss for the financial year		(22,084,065)	(18,303,265)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 27 form part of these financial statements.

Bought By Many Ltd
Registered number:07886430

Statement of Financial Position
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	81,122	110,737
Tangible assets	13	374,321	439,457
Investments	14	3,002,533	2,932,532
		<u>3,457,976</u>	<u>3,482,726</u>
Current assets			
Debtors: amounts falling due within one year	15	20,643,614	8,993,717
Bank and cash balances		30,881,634	5,568,184
		<u>51,525,248</u>	<u>14,561,901</u>
Creditors: amounts falling due within one year		<u>(16,258,711)</u>	<u>(14,168,772)</u>
Net current assets		<u>35,266,537</u>	393,129
Total assets less current liabilities		<u>38,724,513</u>	<u>3,875,855</u>
Creditors: amounts falling due after more than one year		(626,749)	(3,574,504)
Net assets		<u><u>38,097,764</u></u>	<u><u>301,351</u></u>

Bought By Many Ltd
Registered number:07886430

Statement of Financial Position (continued)
As at 31 March 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	18	530	397
Share premium account	19	91,952,387	33,448,393
Foreign exchange reserve	19	91,518	-
Share based payments	19	2,242,380	957,547
Profit and loss account	19	(56,189,051)	(34,104,986)
		<u>38,097,764</u>	<u>301,351</u>

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



L C Barile
Director

Date: 21st July 2021

The notes on pages 13 to 27 form part of these financial statements.

Bought By Many Ltd

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	370	28,386,215	-	-	(18,153,381)	10,233,204
Comprehensive income for the year						
Loss for the year	-	-	-	-	(18,303,265)	(18,303,265)
Dividends	-	-	-	-	2,351,660	2,351,660
Shares issued during the year	27	5,062,178	-	-	-	5,062,205
Share based payment charge	-	-	-	957,547	-	957,547
At 1 April 2020	397	33,448,393	-	957,547	(34,104,986)	301,351
Comprehensive income for the year						
Loss for the year	-	-	-	-	(22,084,065)	(22,084,065)
Shares issued during the year	179	58,503,994	-	-	-	58,504,173
Shares cancelled during the year	(46)	-	-	-	-	(46)
Share based payment charge	-	-	-	1,284,833	-	1,284,833
Foreign exchange movement	-	-	91,518	-	-	91,518
At 31 March 2021	530	91,952,387	91,518	2,242,380	(56,189,051)	38,097,764

The notes on pages 13 to 27 form part of these financial statements.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 March 2021 and are presented to the nearest pound.

The Company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The principal activity of the Company during the year was that of an insurance intermediary.

The Company is a United Kingdom private limited company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Unit 1b 1-10 Summers Street, London, England, EC1R 5BD.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Many Group Limited as at 31 March 2021 and these financial statements may be obtained from Unit 1b 1-10 Summers Street, London, EC1R 5BD.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.3 Going concern

The Directors have been monitoring the impact of Covid-19 both directly on the Company's business and indirectly e.g. through UK government policy/advice and the development of the situation around the world. The areas of significant impact on the Company are considered to be:

- Operations: the ability of the Company to function effectively while restrictions on movement are in place for an extended period.
- Business activity: any negative impact on the Company's ability to generate revenue either from a reduction in the clients' requirement for products or support from the Company's capacity providers.
- Liquidity risk: the continued ability of the Company to continue to meet its obligations as they fall due.

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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

Revenue represents brokerage and profit commission arising on the placement of insurance contracts by the Company. Income is recognised when the Company's contractual right to such income is established, and to the extent that the Company's relevant obligations under the contracts concerned have been performed. This means income is recognised at the inception date of the underlying contract of insurance concerned.

2.6 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.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

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 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 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.

2.10 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 other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.12 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 Company 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 reporting date.

2.13 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.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.14 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:

Leasehold Improvements	-	33% straight line
Plant and machinery	-	33% straight line
Motor vehicles	-	33% straight line
Office equipment	-	33% 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 profit or loss.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.17 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.

2.18 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.

2.19 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.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.20 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.

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.

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Turnover

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

	2021 £	2020 £
Commission income	35,028,838	15,420,996
	<u>35,028,838</u>	<u>15,420,996</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	32,896,516	15,193,820
Rest of Europe	2,132,322	227,176
	<u>35,028,838</u>	<u>15,420,996</u>

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	139,109	9,770
Other operating lease rentals	495,550	367,896

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25,000	29,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

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

	2021 £	2020 £
Wages and salaries	8,182,427	6,029,042
Social security costs	991,841	574,442
Shared based payments	1,284,833	957,547
Cost of defined contribution scheme	344,222	220,722

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

	2021 No.	2020 No.
Employees	178	137

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	505,767	367,180
Company contributions to defined contribution pension schemes	16,250	16,937
	<u>522,017</u>	<u>384,117</u>

During the year retirement benefits were accruing to 3 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £201,662 (2020 - £193,750).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2020 - £8,750).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	44,983	21,426
	<u>44,983</u>	<u>21,426</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	476,136	267,257
	<u>476,136</u>	<u>267,257</u>

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(244,376)	(86,141)
	<u>(244,376)</u>	<u>(86,141)</u>
Total current tax	<u>(244,376)</u>	<u>(86,141)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(244,376)</u>	<u>(86,141)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(22,328,441)</u>	<u>(18,389,406)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>(4,242,404)</u>	<u>(3,493,987)</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	2,194
Capital allowances for year in excess of depreciation	(54,390)	253,045
Other timing differences leading to an increase (decrease) in taxation	244,118	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(189,050)	-
Provisions tax adjustment	-	2,257
Unrelieved tax losses carried forward	3,824,912	2,832,736
Group relief	172,438	317,614
Total tax charge for the year	<u>(244,376)</u>	<u>(86,141)</u>

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

11. Taxation (continued)

Factors that may affect future tax charges

Deferred tax

The Company has an unrecognised deferred tax asset of £5,719,584 (2020 - £1,894,672) in respect of tax losses carried forward. This asset has not been recognised as there is insufficient certainty as to its recoverability against future trading profits.

12. Intangible assets

	Development expenditure £
Cost	
At 1 April 2020	119,343
Additions	4,700
At 31 March 2021	<u>124,043</u>
Amortisation	
At 1 April 2020	8,606
Charge for the year	34,315
At 31 March 2021	<u>42,921</u>
Net book value	
At 31 March 2021	<u>81,122</u>
At 31 March 2020	<u>110,737</u>

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

13. Tangible fixed assets

	Leasehold Improvements £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 April 2020	317,015	35,917	3,537	365,799	722,268
Additions	10,275	-	1,527	140,410	152,212
Disposals	-	-	-	(20,515)	(20,515)
At 31 March 2021	<u>327,290</u>	<u>35,917</u>	<u>5,064</u>	<u>485,694</u>	<u>853,965</u>
Depreciation					
At 1 April 2020	106,743	35,917	1,657	138,494	282,811
Charge for the year	76,639	-	2,547	127,416	206,602
Disposals	-	-	-	(9,769)	(9,769)
At 31 March 2021	<u>183,382</u>	<u>35,917</u>	<u>4,204</u>	<u>256,141</u>	<u>479,644</u>
Net book value					
At 31 March 2021	<u>143,908</u>	<u>-</u>	<u>860</u>	<u>229,553</u>	<u>374,321</u>
At 31 March 2020	<u>210,272</u>	<u>-</u>	<u>1,880</u>	<u>227,305</u>	<u>439,457</u>

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

14. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2020	3,488,696	-	3,488,696
Additions	-	230,001	230,001
Revaluations	(160,000)	-	(160,000)
At 31 March 2021	<u>3,328,696</u>	<u>230,001</u>	<u>3,558,697</u>
Impairment			
At 1 April 2020	556,164	-	556,164
At 31 March 2021	<u>556,164</u>	<u>-</u>	<u>556,164</u>
Net book value			
At 31 March 2021	<u>2,772,532</u>	<u>230,001</u>	<u>3,002,533</u>
At 31 March 2020	<u>2,932,532</u>	<u>-</u>	<u>2,932,532</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Brooks Braithwaite (Sussex) Limited	Ordinary	100%
Cotidia Limited	Ordinary	100%
ManyPets Inc. (formerly Bought By Many Inc)	Ordinary	100%

Investment in associates

During the year the Company acquired 16.08% holding in Vetbox Limited.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

15. Debtors

	2021 £	2020 £
Trade debtors	18,058,017	8,469,308
Amounts owed by group undertakings	1,439,470	-
Other debtors	132,670	123,163
Prepayments and accrued income	1,013,457	401,246
	<u>20,643,614</u>	<u>8,993,717</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	2,900,000	1,500,000
Trade creditors	4,546,979	3,032,633
Amounts owed to group undertakings	203,188	582,497
Other taxation and social security	1,405,968	809,355
Obligations under finance lease and hire purchase contracts	23,836	-
Other creditors	5,245,631	2,694,325
Accruals and deferred income	1,933,109	5,549,962
	<u>16,258,711</u>	<u>14,168,772</u>

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

	2021 £	2020 £
Bank loans	600,000	3,500,000
Net obligations under finance leases and hire purchase contracts	3,982	-
Trade creditors	22,767	22,767
Accruals and deferred income	-	51,737
	<u>626,749</u>	<u>3,574,504</u>

On 13 June 2019, the Company entered into a term loan facility agreement with Silicon Vally Bank. The loan accrues interest at a fixed rate of 9.5% and is secured by way of fixed and floating charge over the property and undertakings of the Company. The loan is repayable in equal installments over three years.

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

18. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,927,266 (2020 - 2,383,441) Ordinary shares of £0.0001 each	193	238
584,488 (2020 - 589,622) A shares of £0.0001 each	58	59
943,772 (2020 - 943,772) B1 shares of £0.0001 each	94	94
55,427 (2020 - 55,823) B2 shares of £0.0001 each	6	6
1,785,442 (2020 - 0) C shares of £0.0001 each	179	-
	<u>530</u>	<u>397</u>

All classes of shares have equal voting rights.

During the year, the Company issued 1,785,442 C Ordinary shares with a nominal value of £0.0001. All 1,785,442 shares issued during the year were fully paid at £32.76 each.

The Company cancelled 456,175 Ordinary shares with a nominal value of £0.0001, 5,134 A shares with a nominal value of £0.0001 and 396 B2 shares with a nominal value of £0.0001 each.

19. Reserves

Share premium account

This reserve represents amounts received in respect of shares issued over and above their nominal value.

Foreign exchange reserve

This reserve represents the foreign exchange movement during the year on conversion of the Swedish branch position.

Profit and loss account

This reserve represents all accumulated profits and losses

20. Share based payments

The Company operates an unapproved share based payments scheme and an EMI scheme for its employees.

The share options contained within this scheme may be exercised once they have all vested.

The option shall lapse on the first to occur of the following:

- The day before the tenth anniversary of the date of grant; or
- The date the option holder ceases to be neither a director nor employee of the company; or
- On sale of the company

The total charge for the year was £1,284,833 (2020: £957,547).

Bought By Many Ltd

Notes to the Financial Statements For the Year Ended 31 March 2021

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £344,222 (2020 - £203,785). Contributions totalling £62,475 (2020 - £48,274) were payable to the fund at the reporting date and are included in creditors.

22. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Hire purchase and finance leases		
Not later than 1 year	23,894	23,894
Later than 1 year and not later than 5 years	3,923	27,843
	<u>27,817</u>	<u>51,737</u>
	2021 £	2020 £
Operating lease		
Not later than 1 year	302,268	-
Later than 1 year and not later than 5 years	237,861	-
	<u>540,129</u>	<u>-</u>

23. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

24. Post balance sheet events

Subsequent to the year end, the Company completed a series D fundraise from new and existing investors, attracting a total of £269,883,454 of funding.

25. Controlling party

The Company's immediate and ultimate parent undertaking is Many Group Limited. The largest and smallest group of which the Company is a member for which group financial statements are prepared is Many Group Limited. Copies of the financial statements of Many Group Limited can be obtained from the Company's registered office Unit 1b 1-10 Summers Street, London, England, EC1R 5BD.