

# Northflank Ltd

Registered Number  
11918540  
(England and Wales)

Unaudited Financial Statements for the Year ended  
30 April 2022

Northflank Ltd  
Company Information  
for the year from 1 May 2021 to 30 April 2022

**Directors**

BHADRA, Sandeep

F Brix

S Jang

W J Stewart

**Registered Address**

20-22 Wenlock Road

London

N1 7GU

**Registered Number**

11918540 (England and Wales)

Northflank Ltd  
Statement of Financial Position  
30 April 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		10,278		12,918
Tangible assets	9		5,381		10,680
			<u>15,659</u>		<u>23,598</u>
<b>Current assets</b>					
Debtors	12	141,446		158,549	
Cash at bank and on hand		288,352		907,890	
			<u>429,798</u>		<u>1,066,439</u>
<b>Creditors amounts falling due within one year</b>	13	(10,338)		(11,147)	
			<u>419,460</u>		<u>1,055,292</u>
<b>Net current assets (liabilities)</b>			<u>435,119</u>		<u>1,078,890</u>
<b>Total assets less current liabilities</b>			<u>435,119</u>		<u>1,078,890</u>
<b>Net assets</b>			<u>435,119</u>		<u>1,078,890</u>
<b>Capital and reserves</b>					
Called up share capital			1,674		1,673
Share premium			1,939,463		1,939,463
Other reserves			254		126
Profit and loss account			(1,506,272)		(862,372)
			<u>435,119</u>		<u>1,078,890</u>
<b>Shareholders' funds</b>			<u>435,119</u>		<u>1,078,890</u>

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 27 January 2023, and are signed on its behalf by:

W J Stewart

**Director**

**Registered Company No. 11918540**

# Northflank Ltd

## Notes to the Financial Statements for the year ended 30 April 2022

### 1. Statutory information

The company is a private company limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. Compliance with applicable reporting framework

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

### 3. Principal activities

The principal activity of the company in the period under review was that of the development and testing of a software hosting platform.

### 4. Basis of measurement used in financial statements

The financial statements have been prepared under the historical cost convention.

### 5. Accounting policies

#### Functional and presentation currency policy

The presentation currency of the financial statements is the Pound Sterling (£).

#### Turnover policy

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### Property, plant and equipment policy

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Straight  
line (years)

Plant and machinery

3

## **Intangible assets policy**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are being amortised evenly over their estimated useful life of five years.

## **Revenue recognition policy**

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

## **Research and development policy**

Revenue expenditure on research and development is written off in the period in which it is incurred.

The company qualifies to make claims under the SME R&D tax relief scheme. Tax credits arising from successful claims under the SME R&D tax relief scheme are reflected as a reduction in the Corporation Tax charge or, if loss making, as a Corporation Tax credit. Tax credits receivable from R&D claims are recognised in the reporting period in which the qualifying expenditure is incurred.

## **Foreign currency translation and operations policy**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

## **Employee benefits policy**

Contributions to defined contribution plans are expensed in the period to which they relate.

### **Share Based Payments**

The company operates an equity-settled compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

## **Valuation of financial instruments policy**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of 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 and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

## **Going concern**

The financial statements have been prepared on the going concern basis. The company has incurred losses during the year, however the directors believe that the company has sufficient resources available to meet its future obligations, if and when they fall due. The directors have considered the impact of the COVID 19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the company to trade profitably in future. On this basis, the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

## **6. Critical estimates and judgements**

Share based payments, as set out in note 7 to the accounts, have been made to employees of the company. As disclosed in the Share Based Payments accounting policy note, the fair value of any vested share options is recognised in the income statement. The fair value of share options is estimated based on the value of ordinary shares in issue at the time of granting options the options.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

## 7. Employee information

### Share Options

The company operates an EMI qualifying share option scheme and as at the year end, the company had granted 3,586 (2021: 1,530) EMI qualifying share options to employees of the company at an average weighted exercise price of £0.01 per share. During the year 383 (2021: 444) of these share options vested and at the statement of financial position date:

- 827 share options had vested (2021: 444)
- 2,759 share options had yet to vest (2021: 3,142)

Of the vested options

- 0 had lapsed (2021: 0)
- 0 had been exercised (2021: 0)

The company also operates an unapproved share option scheme and as at the year end, the company had granted 4,495 (2021: 4,495) unapproved share options to contractors and advisers with an average weighted exercise price of £0.01 per share. During the year 1,032 (2021: 811) of these share options vested and at the statement of financial position date:

- 1,843 share options had vested (2021: 811)
- 2,652 share options had yet to vest (2021: 3,684)

Of the vested options

- 0 had lapsed (2021: 0)
- 143 had been exercised (2021: 0)

The share options vest over varying periods of up to 4 years from the date of grant with a cliff ranging up to 12 months.

	2022	2021
Average number of employees during the year	6	7

## 8. Intangible assets

	Other	Total
	£	£
<b>Cost or valuation</b>		
At 01 May 21	14,036	14,036
Additions	170	170
At 30 April 22	<u>14,206</u>	<u>14,206</u>
<b>Amortisation and impairment</b>		
At 01 May 21	1,118	1,118
Charge for year	2,810	2,810
At 30 April 22	<u>3,928</u>	<u>3,928</u>
<b>Net book value</b>		
At 30 April 22	<u>10,278</u>	<u>10,278</u>
At 30 April 21	<u>12,918</u>	<u>12,918</u>

## 9. Property, plant and equipment

	Office Equipment	Total
	£	£
<b>Cost or valuation</b>		
At 01 May 21	19,272	19,272
Additions	1,499	1,499
At 30 April 22	<u>20,771</u>	<u>20,771</u>
<b>Depreciation and impairment</b>		
At 01 May 21	8,592	8,592
Charge for year	6,798	6,798
At 30 April 22	<u>15,390</u>	<u>15,390</u>
<b>Net book value</b>		
At 30 April 22	<u>5,381</u>	<u>5,381</u>
At 30 April 21	<u>10,680</u>	<u>10,680</u>

## 10. Description of event after reporting date

On 4 October 2022 the company issued 132,331 Series seed-2 preferred shares for total consideration of £4,500,451 (\$5,149,965).

## 11. Debtors

	2022	2021
	£	£
Trade debtors / trade receivables	-	149
Other debtors	139,949	156,783
Prepayments and accrued income	1,497	1,617
Total	<u>141,446</u>	<u>158,549</u>

## 12. Creditors within one year

	2022	2021
	£	£
Trade creditors / trade payables	1,047	3,300
Other creditors	5	-
Accrued liabilities and deferred income	9,286	7,847
Total	<u>10,338</u>	<u>11,147</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.