

Company registration number SC630021 (Scotland)

WE ARE PAWPRINT LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

WE ARE PAWPRINT LIMITED

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WE ARE PAWPRINT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	3		31,436		33,238
Current assets					
Debtors	4	462,954		208,903	
Cash at bank and in hand		87,173		654,853	
		<u>550,127</u>		<u>863,756</u>	
Creditors: amounts falling due within one year	5	<u>(1,052,126)</u>		<u>(832,920)</u>	
Net current (liabilities)/assets			<u>(501,999)</u>		<u>30,836</u>
Net (liabilities)/assets			<u>(470,563)</u>		<u>64,074</u>
Capital and reserves					
Called up share capital	7		21		19
Share premium account			3,191,020		2,181,548
Equity reserve			-		9,886
Profit and loss reserves			<u>(3,661,604)</u>		<u>(2,127,379)</u>
Total equity			<u>(470,563)</u>		<u>64,074</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 10 March 2023 and are signed on its behalf by:

C N ARNO

Mr C N Arno
Director

Company Registration No. SC630021

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

We Are Pawprint Limited is a private company limited by shares incorporated in Scotland. The registered office is 5 South Charlotte Street, Edinburgh, Scotland, EH2 4AN.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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 has net liabilities of £470,563. Included in creditors is capital which is to be converted into equity and deferred income which will be released into the income statement. Within other creditors is an amount due to the director of £32,608. The director is therefore of the opinion that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the director has continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

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.

1.5 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:

Fixtures and fittings	20% Straight line
Office Equipment	20% 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.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and creditors. These are measured at amortised cost and 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.

1.8 Equity instruments

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

1.9 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 income statement 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.

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 income statement, 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.

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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.

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	32	27

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Tangible fixed assets

	Fixtures and fittings £	Office Equipment £	Total £
Cost			
At 1 January 2022	634	38,537	39,171
Additions	-	7,191	7,191
	<u>634</u>	<u>45,728</u>	<u>46,362</u>
At 31 December 2022	634	45,728	46,362
Depreciation and impairment			
At 1 January 2022	22	5,911	5,933
Depreciation charged in the year	127	8,866	8,993
	<u>149</u>	<u>14,777</u>	<u>14,926</u>
At 31 December 2022	149	14,777	14,926
Carrying amount			
At 31 December 2022	485	30,951	31,436
	<u>485</u>	<u>30,951</u>	<u>31,436</u>
At 31 December 2021	612	32,626	33,238
	<u>612</u>	<u>32,626</u>	<u>33,238</u>

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	92,754	23,400
Corporation tax recoverable	277,963	152,390
Other debtors	92,237	33,113
	<u>462,954</u>	<u>208,903</u>
	<u>462,954</u>	<u>208,903</u>

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	58,187	27,627
Taxation and social security	187,514	109,765
Other creditors	806,425	695,528
	<u>1,052,126</u>	<u>832,920</u>
	<u>1,052,126</u>	<u>832,920</u>

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Share-based payment transactions

Details of the employee share option plan of the Company

The Company had a share option scheme for employees and consultants during the year ended 31 December 2021. In February 2022 the company surrendered the share option plan.

The following share based payment arrangements were in existence during the period-ended 31 December 2022.

Movements in share options during the year

	Number of share options 2022 Number	Weighted average exercise price 2022 £	Number of share options 2021 Number	Weighted average exercise price 2021 £
Balance at the beginning of the year	9,350,000	0.00232	9,350,000	0.00232
Granted during the period	-	-	-	-
Surrendered during the period	(9,350,000)	-	-	-
Balance at the end of the year	-	-	9,350,000.00	0.00232

Share options exercised during the year

There were no share options exercised during the period-ended 31 December 2022, nor in the prior period. The full value of the options were surrendered during the year to 31 December 2022.

Share options outstanding at the end of the period

The share options outstanding at the end of the period had a weighted average exercise price and a weighted average remaining contractual life as shown below:

	2022	2021
Weighted average exercise price	-	£0.00232
Weighted average remaining contractual life (years)	-	8.80

The charge to the statement of comprehensive income of £NIL (Dec 2021: £NIL) represents the net allocation of cost for the share options granted and lapsed during the year, based on the Directors' estimate of the number of share options expected to be exercised in due course.

As the options were surrendered during the year, the accumulated position in the equity reserve was released to the profit and loss reserve during the year.

The fair value of the Employment Options is estimated at the date of the grant using a Black-Scholes option pricing model. The following assumptions have been used in calculating the fair value of the share options.

WE ARE PAWPRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Share-based payment transactions (Continued)

	2022	2021
Valuation method	Black-Scholes	Black-Scholes
Risk free interest rate	N/A	1.96%
Expected life (average years)	N/A	3
Expected volatility	N/A	40%
Dividend yield	N/A	0%

The risk free interest rate is based on the government gilt rate that is commensurate with the average expected life of the option. The expected life of the options is the expected average point at which an option becomes exercisable. The expected volatility is based on historical volatility of the share price of the Company and of quoted comparable companies over the most recent period at the date of the grant that is commensurate with the average expected life of the option. The weighted average share price used in each calculation was equal to the option exercise price.

7 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Called up share capital				
Issued and fully paid				
Ordinary of 0.00001p each	213,867,912	189,376,237	21	19

On the 24 May 2022, 24,491,675 ordinary shares of 0.0000001p each were issued.

Advanced subscription

Advance subscription agreements were signed agreeing to subscribe for ordinary shares for consideration of £490,743 in April 2023.

8 Related party transactions

During the year, the company made advances to a director of £42,908. Credits were received of £30,000, which resulted in amounts due to the director at the year end of £32,608 (2021 - £19,700).

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.