

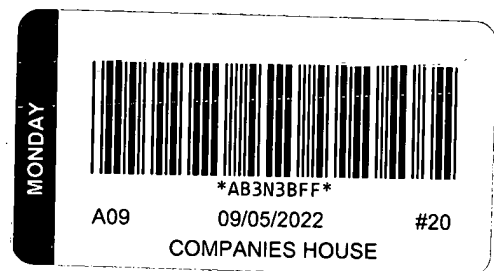
Aforza Limited

Unaudited Financial Statements

Year Ended

31 January 2022

Company Number 11889388



Aforza Limited

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Aforza Limited
Registered number: 11889388

Statement of Financial Position
as at 31 January 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 73,454 | 23,574 |
| Current assets | | | |
| Debtors | 7 | 335,501 | 154,007 |
| Cash and cash equivalents | | 3,231,738 | 1,184,036 |
| | | <u>3,567,239</u> | <u>1,338,043</u> |
| Creditors: amounts falling due within one year | 8 | (820,285) | (324,399) |
| Net current assets | | 2,746,954 | 1,013,644 |
| Creditors: amounts falling due after more than one year | 9 | (8,285,702) | (3,498,256) |
| Net liabilities | | (5,465,294) | (2,461,038) |
| Capital and reserves | | | |
| Share capital | 10 | 100 | 100 |
| Profit and loss account | | (5,465,394) | (2,461,138) |
| Total Equity | | (5,465,294) | (2,461,038) |

Aforza Limited
Registered number: 11889388

Statement of Financial Position (continued)
as at 31 January 2022

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

.....
0B853944A774C1.....
D A Dinardo
Director

Date: 06 May 2022

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

Aforza Limited

Statement of Changes in Equity For the Year Ended 31 January 2022

| | Share capital £ | Other reserves £ | Profit and loss account £ | Total equity £ |
|--|-----------------------|------------------------|---------------------------------|---------------------------|
| At 1 February 2020 | 100 | 1,872,873 | (790,964) | 1,082,009 |
| Comprehensive loss for the year | | | | |
| Loss for the year | - | - | (1,673,127) | (1,673,127) |
| Capital contribution - Share based payment | - | - | 2,953 | 2,953 |
| Simple agreement for future equity (SAFE) | - | (1,872,873) | - | (1,872,873) |
| At 1 February 2021 | <u>100</u> | <u>-</u> | <u>(2,461,138)</u> | <u>(2,461,038)</u> |
| Comprehensive loss for the year | | | | |
| Loss for the year | - | - | (3,004,842) | (3,004,842) |
| Capital contribution - Share based payment | - | - | 586 | 586 |
| At 31 January 2022 | <u><u>100</u></u> | <u><u>-</u></u> | <u><u>(5,465,394)</u></u> | <u><u>(5,465,294)</u></u> |

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

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

1. General information

Aforza Limited is a private company, limited by the shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The company's principal activity is the provision of software development and solutions to the consumer goods industry.

These financial statements have been prepared in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of 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 Section 1A of 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 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. Based on the stress testing and forward looking forecasts performed, management do not consider that there is a material uncertainty with regards to going concern at the date of approval.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

For software licences turnover is recognised on a straight line basis over the life of the contract. Turnover from professional services, is recognised over a period of six months. All support services are billed on time and material basis with payment in advance.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

2. Accounting policies (continued)

2.4 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:

| | | |
|--------------------|---|-----|
| Computer equipment | - | 33% |
|--------------------|---|-----|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 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.

In the development phase of an internal project, the company has also chosen to expense the entire expenditure within the Statement of Comprehensive Income as incurred.

2.6 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Creditors

Short term creditors are measured at the transaction price.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

2. Accounting policies (continued)

2.10 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 the Statement of Comprehensive Income 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 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

2.11 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.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

2. Accounting policies (continued)

2.13 Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

2. Accounting policies (continued)

2.14 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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

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

In applying the company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

Critical judgements in applying the company's accounting policies

The critical judgements that the director has made in the process of applying the company's accounting policies and that have significant effect on the amounts recognised in the statutory financial statements are discussed below.

Determining useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of the assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Share based payments

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

4. Employees

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

| | 2022 No. | 2021 No. |
|-----------|-------------|-------------|
| Employees | 42 | 27 |

5. Directors' remuneration

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Directors' emoluments | 458,914 | 433,759 |

The highest paid director received remuneration of £150,000 (2021 - £150,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2021 - £6,000).

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

6. Tangible fixed assets

| | Computer equipment £ |
|-----------------------|-------------------------------------|
| Cost | |
| At 1 February 2021 | 40,119 |
| Additions | 70,665 |
| At 31 January 2022 | 110,784 |
| Depreciation | |
| At 1 February 2021 | 16,545 |
| Charge for the year | 20,785 |
| At 31 January 2022 | 37,330 |
| Net book value | |
| At 31 January 2022 | 73,454 |
| At 31 January 2021 | 23,574 |

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

7. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 182,621 | 68,203 |
| Other debtors | 64,146 | 10,937 |
| Prepayments and accrued income | 88,734 | 74,867 |
| | 335,501 | 154,007 |

8. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 78,962 | 46,338 |
| Other taxation and social security | 129,588 | 74,733 |
| Other creditors | - | 25,521 |
| Accruals and deferred income | 611,735 | 177,807 |
| | 820,285 | 324,399 |

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

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Other loans | 6,128,991 | 1,345,380 |
| Amounts owed to group undertakings | 2,156,711 | 2,152,876 |
| | 8,285,702 | 3,498,256 |

Other loans include amounts owed to parent company and carried an interest charge of 7.5% p.a.

Amounts owed to group undertakings are interest free and repayable on demand.

10. Share capital

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 10,000,000 Ordinary shares of £0.00001 each | 100 | 100 |
| | 100 | 100 |

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

11. Government Grant

During the year the company received a grant of £6,304 from Welsh Government. This amount has been included within Statement of Comprehensive Income as other income.

12. Share based payments

The parent company Aforza Inc, operated a Company Share Option Plan under which directors and employees of the company were granted share options. In the absence of observable market prices and market data, share options granted were valued at fair value on the grant date using the Black Scholes valuation model and vest over a period of 4 years.

During the year, the total share based payment expense recognised in the Statement of Comprehensive Income was £586 (2020: £2,953). At 31 January 2022, 465,020 (2020: 178,960) options were granted but not exercised.

13. Reserves

Profit and Loss account

Retained earnings represents cumulative profits or losses, net dividends paid and other adjustments.

14. 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 £54,471 (2020 - £50,994). No contributions were payable to the fund at the reporting date (2020 - £25,521).

15. Commitments under operating leases

At 31 January 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|--|----------------|-----------|
| Not later than 1 year | 152,880 | - |
| Later than 1 year and not later than 5 years | 193,887 | - |
| | <u>346,767</u> | <u>-</u> |

16. Related party transactions

The Company has taken exemption under FRS 102 section 1AC.35 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

Aforza Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

17. Controlling party

The ultimate parent company by virtue of their shareholding is Aforza Inc. The registered address of the company is 850, New Burton Road Suite 201, Dover, Kent, DE 19904.