

*Company registration number 10614196 (England and Wales)*

***BARK.COM GLOBAL LIMITED***

***ANNUAL REPORT AND FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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**BARK.COM GLOBAL LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	Mr K F Feller
<b>Company number</b>	10614196
<b>Registered office</b>	85 Great Portland Street London W1W 7LT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX

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## **BARK.COM GLOBAL LIMITED**

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**BARK.COM GLOBAL LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The director presents the strategic report for the year ended 31 December 2021.

**Fair review of the business**

Principal Activities

Bark.com Global Limited ("BGL") operates an online marketplace services platform, accessible in eight jurisdictions as of the end of 2021.

BGL harnesses its renowned technical prowess and marketing expertise to facilitate the introduction each year of millions of Buyers seeking Service Professionals across an eclectic mix of sub-verticals and categories.

BGL is primarily focussed on delivering compelling returns on investment for its Service Providers, whilst at the same time ensuring that Buyers are impressed by the speed and efficiency of the platform in meeting their needs, such that their experience motivates them to repeatedly return.

Business Review

Following on from a very successful 2020, during 2021 the business once again enjoyed stellar growth, with revenue in the year to December 2021 breaking the £50m mark in rising by 80% to £52.1m, from £28.9m the year before. The business categorises its revenues between those from marketplace lead generation, and those from platform subscriptions, with the former accounting for 91% of revenues in 2021 (2020: 91%).

Within marketplace lead generation, the business categorises revenue into two customer segments, namely SME and Enterprise. Whilst the revenue increase of £14.3m in the SME customer segment, a rise of 62%, contributed the majority of overall £23.2m year-on-year increase, the Enterprise segment enjoyed an astonishing 197% increase; revenue increased by £6.6m to £9.9m from £3.3m the year before. The business's Enterprise segment is served by a dedicated specialist sales team, based both in the UK and Australia, and continued investment in that resource over the year saw their staff numbers increase by 40% to 14.

Whilst in 2021 the business did not add to the existing eight territories in which its platform can be accessed, it was pleasing to see non-UK territories continue to increase their share of overall company revenues, rising to a 55% share in 2021, compared to 52% the year before. Year-on-year revenues in all territories grew, by at least 50%, and amongst the biggest four, the UK was at 67%, the US at 84%, Canada at 102% and Australia at 158%.

Before turning to other aspects of the company's performance, it is important to note that as this is the business's first ever strategic report, there has hitherto been no discussion or commentary about the effects of the COVID-19 pandemic on its 2020 results. What can now be said about this period with absolute certainty is that, aside some initial uncertainty at the end of Q1-2020, there was little if any adverse impact on the business. On the contrary, the business saw incredible growth in activity and liquidity across its platform, in all jurisdictions, and all verticals, save understandably for the Events vertical. Augmenting this trend was the business's agility to pivot quickly and deploy tactical initiatives in further helping its Service Professionals and Buyers to continue to effectively connect on its platform. Furthermore, the business launched in three new territories at the end of Q1-2020, just as the pandemic was taking hold, and yet none of those launches were cancelled. As a result, revenue almost doubled in FY2020 compared to the year before, rising by 98% to £28.9m, from £14.6m in FY2019.

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## **BARK.COM GLOBAL LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Fair review of the business (continued)**

##### **Business Review (continued)**

The strong growth in revenue in FY2021 naturally led to a significant increase in EBITDA\* for BGL, increasing by 92% from £3.9m in FY2020 to £7.5m in FY2021. Further, it was not only the quantum EBITDA that rose, but the EBITDA margin also increased year-on-year, by some 0.9 percentage points. This was despite a fall in the gross margin of 0.9 percentage points (from 36.3% in FY2020 to 35.4% in FY2021).

(\* EBITDA of £7.5m in FY2021 is derived from Operating Profit of £7.2m plus depreciation and amortisation of £0.3m).

##### **Bidvine asset purchase**

During the year the business became aware of the opportunity to acquire IP assets from Bidvine Limited, which was about to be placed into administration, but which had for many years been a UK competitor to BGL. The business acquired these assets for an undisclosed sum and has subsequently achieved full payback on that investment.

##### **R&D**

The business strongly believes it has a competitive advantage when it comes to the technological processes that it has developed in-house. The bespoke technology platform that the business has created is a key driver in the achievement of profit margins that are demonstrably higher than those published by its competitors. As such, the business understands the need for continued investment in R&D to maintain and enhance its competitive position. Accordingly, the business continued to invest significantly in platform and product R&D, with expenditure rising from £1.5m in FY2020 to £1.6m in FY2021.

#### **Principal risks and uncertainties**

##### **1. Financial risks**

- **Liquidity risk:** the business does not have any overdraft or loan facilities with any of the banks that it has banking relationships with. As such, free cash flow is monitored very closely. Up until the end of 2019, the business always reinvested all of its free cash flow, such that at the end of every financial year cash balances were carefully managed to end at minimal levels. However, in 2020, the business enjoyed such strong growth, becoming significantly free cash flow positive to such an extent that it was much more difficult to quickly reinvest as the year progressed. As such, the business exited 2020 with significant cash resources on its balance sheet. Since then, 2021 has followed a similar pattern, and with such significant cash resources, together with a prepay revenue model whilst enjoying standard credit terms with its strategic suppliers, the business considers its liquidity risk to be low.

**BARK.COM GLOBAL LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Principal risks and uncertainties (continued)**

**1. Financial risks (continued)**

- **Credit risk:** the business assesses its credit risk as extremely low, given that it operates a prepay revenue model with its Service Providers. Very occasionally the business will advance credit to some Enterprise customers, but only those of a significant size that are the most credit worthy.
- **Foreign exchange risk:** the business operates a US\$ bank account which is domiciled in the US and which accumulates material amounts of cash given that little of the business's overheads are paid in US\$. Such US\$ receipts are not repatriated to the UK on a regular basis, and so the business runs the risk of needing to repatriate at a time when the GBP/USD FX rate is not favourable. Accordingly, the business is actively seeking to address this risk by implementing an appropriate hedging policy.
- **Interest rate risk:** the business currently has no debt, and so any interest rate risk it might face is non-existent.

**2. Regulatory risks**

The business faces regulatory risks relating to data protection and privacy, both here in the UK, and overseas. The principal areas where risk is faced, and how such risks are managed, are set out below.

- **UK GDPR:** the business is registered as a Data Controller in the UK and has established an internal privacy team to manage the many data subject requests it receives each month. The business is confident in its ability to continually service these GDPR requests within the statutory timeframes allowed. Significant effort and resource has also been allocated to continually develop and improve the business's internal GDPR processes, where considered appropriate;
- **PECR:** the business uses its proprietary technology to direct market to prospective Service Providers in the UK and worldwide. There is a perceived risk from such activities in the UK, and the business's privacy team actively monitors and responds to any complaints it receives in this regard. As the business continues to diversify internationally, any perceived risk to its operations diminishes as the relative importance of UK new business to overall group revenues declines. Regardless of this, the business perceives any regulatory risk to its operations to be low;
- **Other foreign local privacy legislations:** the company has not sought to register in any foreign jurisdictions as regards to (non-GDPR) local privacy laws as it considers any risk in this regard to be remote.

**3. COVID-19**

The business saw no adverse impact as a result of the pandemic, as described in more detail earlier. Additionally, the business did not need to place any employees on furlough and the only COVID-19 government support that the business took advantage of was to spread its March 2020 VAT payment over 11 months.

**4. Brexit**

The UK left the European Union ("EU") during the previous financial year, in 2020. The business

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**BARK.COM GLOBAL LIMITED****STRATEGIC REPORT****FOR THE YEAR ENDED 31 DECEMBER 2021****4. Brexit (continued)**

derived only 2% of its revenue from the EU in FY2021, with 3% in FY2020. Total revenues from the EU rose over 50% year-on-year in FY2021 and the business has detected no adverse impact from Brexit on its business.

**Key performance indicators**

The business is laser focussed on its financial KPIs, not only the quantum, but crucially the rate of growth in the main headline financials. The business is prepared to invest its free cash flow and sacrifice some current margin in order to achieve its longer-term growth objectives.

<b><u>KPIs</u></b>	<b>FY2021</b>	<b>FY2020</b>
Revenue	£52.1m	£28.9m
Revenue growth	+80.2%	+98.2%
Gross margin	+35.4%	+36.3%
EBITDA	£7.5m	£3.9m
EBITDA growth	+92.2%	N/A
EBITDA margin	+14.3%	+13.4%
Free cash flow/	£11.1m	£6.8m

*(Free cash flow of £11.1m in FY2021 is derived from cash inflow less interest, tax and CAPEX, but before financing).*

**Environment and community**

The Director considers that the business has a low carbon footprint given that the principal activity is the provision of an online marketplace. In addition, during the COVID-19 pandemic, the business invested development resource in making it easier for Service Providers and Buyers to connect online rather than meet in person, examples of which were online personal training and online tax advice.

The business operates a Cycle to Work salary sacrifice scheme which it encourages employees to take up.

With people and operations across the globe, from the UK to Australia, the business seeks to minimise international travel between offices by encouraging online meetings and events.

**Employment policies**

The company is forthright in its view that all applicants should enjoy equal consideration for employment within the business based on merit, and regardless of their ethnic origin, age, gender, sexual orientation, physical ability or religious beliefs. The company further practices this policy in its approach to career development, training and promotion, which are based solely on an employee's competence and personal ability. As such, the business enjoys a rich and varied contribution from all across its cosmopolitan employee base.

**Section 172 (1) Statement**

This statement aligns to the Section 172 (1) statement requirements contained in Section 414CZA of the Companies Act 2006 ("Act"). It focuses on how the Director has had regard during the year to the matters set out in Section 172 (1) (a) to (f) of the Act when performing his duties. It incorporates information from the Strategic Report to avoid unnecessary duplication.

## **BARK.COM GLOBAL LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **Section 172 (1) Statement (continued)**

In carrying out his duties and responsibilities as sole Director of the company, with the aim of promoting the success of the company, the Director takes into consideration multiple factors, including not only the impact for the company's shareholders, but also the impact on other key stakeholders, such as employees, service providers and customers that use the platform, and the likely impact on the company's reputation for maintaining high standards.

##### **Trading reviews and Board meetings**

In keeping with a business of this size, the company regularly reviews trading performance at least twice a month, to track against financial forecasts and to assess the impact of the execution of tactical measures.

In order to provide a forum for formal decision making that is aligned to the company's long-term interests, Board meetings are held ten times a year, comprising senior management from the company together with executives from the company's ultimate controlling entity. Such meetings cover off financial and operational performance, financial and non-financial KPIs, insight, market awareness, risk and ESG matters.

The Director has outlined below where in the Strategic Report he considers the requirements of Section 172 (1) have been addressed.

- long-term results:
  - Fair review of the business;
  - Principal risks and uncertainties;
  - Key performance indicators.
- interests of employees:
  - Employment policies.
- business relationships with customers, suppliers and others:
  - Fair review of the business;
  - Principal risks and uncertainties.
- maintaining high standards of business conduct:
  - Principal risks and uncertainties.
- impact on the environment and community:
  - Environment and community.
- acting fairly between shareholders of the business:
  - Fair review of the business;
  - Key performance indicators.

The company's governance and operational review procedures ensure that all key matters are carefully and thoroughly considered by the director for decision making purposes.

On behalf of the board

DocuSigned by:

Karl Feller

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Mr K F Feller  
Director

Date: 5 December 2022

## **BARK.COM GLOBAL LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The director presents his annual report and audited financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company continued to be that of a web-based services platform designed to connect buyers with service providers.

#### **Results and dividends**

The results for the year are set out on page 12. No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr K F Feller

#### **Statement of director's responsibilities in respect of the financial statements**

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, a director 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The director is also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Director's confirmations**

In the case of each director in office at the date the director's report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
  - they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.
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**BARK.COM GLOBAL LIMITED**  
**DIRECTOR'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Branches outside of the UK**

Within the UK statutory company's results are those of its branch in Australia.

**Matters covered in the Strategic Report**

The business review, principal risks and uncertainties and key performance indicators are covered in the Strategic Report.

**Events after the balance sheet date**

On 29 April 2022 the entire share capital of BGL's parent company, Etender Inc., was acquired by EMK Capital Partners.

**Independent auditors**

On 6 July 2022 the company appointed PricewaterhouseCoopers LLP as its auditors, in accordance with the Companies Act 2006. Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

On behalf of the board

DocuSigned by:

Kai Feller

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Mr K F Feller  
**Director**

Date: 5 December 2022

# Independent auditors' report to the members of Bark.com Global Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Bark.com Global Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income, the Statement of cash flows and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Director's report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the director for the financial statements**

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they determine is 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data protection regulations and Employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax regulations and Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting unusual journals, in particular to revenue and deferred income and manipulation of significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including, consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries with unusual account combinations, in particular in relation to revenue and deferred income;
- Challenging management on the supporting evidence and rationale provided for significant accounting estimates; and
- Review of minutes of meetings held by the board and those charged with governance

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of director's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns;

We have no exceptions to report arising from this responsibility.

## Other matter

The financial statements for the 31 December 2020, forming the corresponding figures of the financial statements for the year ended 31 December 2021, are unaudited.

*Matt Palmer*

Matt Palmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
5 December 2022

**BARK.COM GLOBAL LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	52,095,422	28,911,073
Cost of sales		(33,643,207)	(18,408,191)
<b>Gross profit</b>		<b>18,452,215</b>	<b>10,502,882</b>
Administrative expenses		(11,286,435)	(6,779,259)
<b>Operating profit</b>	4	<b>7,165,780</b>	<b>3,723,623</b>
Interest receivable and similar income	6	5,891	856
Interest payable and similar expenses	7	(12,769)	(2,558)
Other operating income		(28,363)	(35,539)
<b>Profit before taxation</b>		<b>7,130,539</b>	<b>3,686,382</b>
Tax on profit	8	(965,904)	300,198
<b>Profit for the financial year</b>		<b>6,164,635</b>	<b>3,986,580</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**BARK.COM GLOBAL LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Note	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		55,051		-
Tangible assets	10		575,126		236,902
			<u>630,177</u>		<u>236,902</u>
<b>Current assets</b>					
Debtors	11	5,833,182		4,027,492	
Cash at bank and in hand		18,215,208		7,143,862	
		<u>24,048,390</u>		<u>11,171,354</u>	
<b>Creditors: amounts falling due within one year</b>	12		<u>(13,332,932)</u>		<u>(7,856,336)</u>
<b>Net current assets</b>			<u>10,715,458</u>		<u>3,315,018</u>
<b>Total assets less current liabilities</b>			11,345,635		3,551,920
<b>Provisions for liabilities and charges</b>					
Provisions for liabilities	13	(758,903)		(301,700)	
			<u>(758,903)</u>		<u>(301,700)</u>
<b>Net assets</b>			<u>10,586,732</u>		<u>3,250,220</u>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Other reserves	19		(313,347)		(313,347)
Profit and loss account			10,900,078		3,563,566
<b>Total equity</b>			<u>10,586,732</u>		<u>3,250,220</u>

**BARK.COM GLOBAL LIMITED**  
**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and signed by the director and authorised for issue on 5 December 2022.

DocuSigned by:  
Kai Feller  
.....24006FC803DMBC.....

**Mr K F Feller**  
**Director**

**Company Registration No. 10614196**

**BARK.COM GLOBAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2020</b>	1	(313,347)	(423,014)	(736,360)
<b>Year ended 31 December 2020</b>				
Profit and total comprehensive income for the year	-	-	3,986,580	3,986,580
<b>Balance at 31 December 2020</b>	1	(313,347)	3,563,566	3,250,220
<b>Year ended 31 December 2021</b>				
Profit and total comprehensive income for the year	-	-	6,164,635	6,164,635
Charge to equity for equity settled share-based payments	-	-	1,171,877	1,171,877
<b>Balance at 31 December 2021</b>	1	(313,347)	10,900,078	10,586,732

**BARK.COM GLOBAL LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21	11,595,754		6,814,050	
Interest paid		(12,769)		(2,558)	
R&D tax credits received		205,834		216,069	
<b>Net cash generated from operating activities</b>		<b>11,788,819</b>		<b>7,027,561</b>	
<b>Cash flows from investing activities</b>					
Purchase of intangible assets		(56,916)		-	
Purchase of tangible assets		(672,995)		(196,459)	
Proceeds on disposal of tangible assets		12,438		-	
<b>Net cash used in investing activities</b>		<b>(717,473)</b>		<b>(196,459)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>11,071,346</b>		<b>6,831,102</b>	
Cash and cash equivalents at beginning of year		7,143,862		312,760	
<b>Cash and cash equivalents at end of year</b>		<b>18,215,208</b>		<b>7,143,862</b>	

**BARK.COM GLOBAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies**

**Company information**

Bark.com Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is 85, Great Portland Street, London, W1W 7LT.

**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. 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 on the historical cost basis.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**1.2 Merger accounting**

In 2017, the company accounted for the transfer of certain trade and assets from the UK permanent establishment of its parent company using the merger accounting method. The assets and liabilities have been transferred at net book value at the date of the transfer.

**1.3 Going concern**

The company has net assets of £10,586,732 at 31 December 2021, together with cash balances of £18,215,208 and no debt at that date.

At the time of approving the financial statements the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the director has considered working capital and cash flow requirements of the business for the twelve months from the date of approval of the financial statements.

The director when considering the going concern basis has also reviewed the current regulatory and compliance requirements of the operational aspects of the business. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

**1.4 Turnover**

Turnover includes fees paid by service professionals for the generation of business leads which match their service offering, as well as subscription fees.

Turnover is stated net of VAT and other sales taxes. Turnover is recognised on lead generation services when service professionals respond to leads made available to them. For subscription services, turnover is recognised on a straight-line basis over the contract term.

Payments received from customers in advance of the turnover recognition date are included within the deferred revenue balance.

**BARK.COM GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies (continued)**

**1.5 Intangible assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

IP asset	Straight-line over ten years
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Research and development expenditure is not capitalised but is written off as it incurred.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight-line over the life of the lease
Office equipment	Straight-line over three years
Computer equipment	Straight-line over three years

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.

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **BARK.COM GLOBAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies (continued)**

##### **1.7 Impairment of fixed assets (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### **1.8 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.

##### **1.9 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 balance sheet 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***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

## **BARK.COM GLOBAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies (continued)**

**1.9 Financial instruments (continued)**

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**BARK.COM GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies (continued)**

**1.9 Financial instruments (continued)**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.10 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.

**1.11 Taxation**

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

***Current tax***

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

***Deferred tax***

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

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

## **BARK.COM GLOBAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies (continued)**

##### **1.12 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### **1.13 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.

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.

##### **1.14 Retirement benefits**

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

##### **1.15 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.

**BARK.COM GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies *(continued)***

**1.16 Leases**

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

**1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

*Critical judgements*

The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

*Going Concern*

The preparation of the financial statements on the going concern basis relies upon the director's assessment of the future financial position of the company as well as the current regulatory and compliance requirements. The going concern assessment is detailed in the accounting policy notes to the financial statements.

*Share Options*

The total amount to be expensed is determined by reference to the fair value of the options granted. In arriving at the charge for the year, assumptions are made of the number of options likely to be exercised, the market value of the shares over which options can be granted and its volatility.

*Turnover recognition*

Where unused credits from paying sellers have been unutilised for a period of more than two years at the balance sheet date, the credits are written back to income as the business considers further utilisation to be remote after that point.

**3 Turnover analysis**

	2021	2020
	£	£
All of the company's turnover was derived from its principal activity.		
<i>Analysis by geographical region:</i>		
United Kingdom	23,388,491	13,977,733
North America	22,254,537	11,921,841
Europe	1,121,817	741,491
Asia Pacific	4,241,506	1,729,594
Africa	<u>1,089,071</u>	<u>540,414</u>
	<u>52,095,422</u>	<u>28,911,073</u>

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****4 Operating profit**

	2021	2020
	£	£
Operating profit for the year is stated after charging/ (crediting):		
Exchange (gains)/ losses	(19,264)	273,728
Fees payable to the company's auditors for the audit of the company's financial statements	204,000	-
Amortisation of intangible assets	1,865	-
Depreciation of tangible assets	293,967	158,152
Operating lease charges	770,844	431,844
Research and development expenditure	1,621,148	1,477,437
	<u>          </u>	<u>          </u>

There were no non-audit fees paid to the company's auditor in either year.

**5 Employees**

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

	2021	2020
	<u>Number</u>	<u>Number</u>
Sales	14	5
Technical	15	11
Administration	<u>72</u>	<u>47</u>
<b>Total</b>	<u>101</u>	<u>63</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	6,072,561	3,672,919
Social security costs	1,063,712	398,157
Other pension costs	130,625	41,822
Share-based payments expense	1,171,877	-
	<u>8,438,775</u>	<u>4,112,898</u>

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Employees (continued)**

The emoluments of the highest paid director were:

	2021	2020
	£	£
Wages and salaries	40,000	40,000
Social security costs	4,301	4,313
Pension costs	<u>1,013</u>	<u>1,013</u>
Total	<u>45,314</u>	<u>45,326</u>

**6 Interest receivable and similar income**

	2021	2020
	£	£
Interest income		
Interest on director's loan account	<u>5,891</u>	<u>856</u>

**7 Interest payable and similar expenses**

	2021	2020
	£	£
Other interest payable and similar expenses		
Other interest	<u>12,769</u>	<u>2,558</u>

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>8 Tax on profit</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	924,173	-
Adjustments in respect of prior periods	915	(206,618)
<b>Total current tax</b>	<u>925,088</u>	<u>(206,618)</u>
<b>Deferred tax (see note 14)</b>		
Origination/ reversal of timing differences	<u>40,816</u>	<u>(93,580)</u>
<b>Total deferred tax</b>	<u>40,816</u>	<u>(93,580)</u>
<b>Tax on profit</b>	<u>965,904</u>	<u>(300,198)</u>

*Factors affecting the tax charge for the current year*

The current tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

**Reconciliation of effective tax rate**

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	7,130,539	3,686,382
Expected current tax charge at 19% (2020: 19%)	<u>1,354,802</u>	<u>700,413</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	49,020	52,186
Fixed asset differences	(11,411)	27,017
Research and development relief	(400,423)	(364,014)
Adjustments to tax charge in respect of prior periods	915	(206,618)
Change in rate of deferred tax	(6,309)	-
Other short term timing differences	(20,690)	(509,182)
<b>Taxation charge/(credit) in the financial statements</b>	<u>965,904</u>	<u>(300,198)</u>

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****9 Intangible assets**

	<b>IP asset £</b>
<b>Cost</b>	
At 1 January 2021	109,820
Additions	56,916
	<u>166,736</u>
<b>At 31 December 2021</b>	<b>166,736</b>
<b>Accumulated amortisation</b>	
At 1 January 2021	109,820
Amortisation charged for the year	1,865
	<u>111,685</u>
<b>At 31 December 2021</b>	<b>111,685</b>
<b>Carrying amount</b>	
At 31 December 2021	55,051
	<u>-</u>
<b>At 31 December 2020</b>	<b>-</b>

**10 Tangible assets**

	<b>Leasehold improvements £</b>	<b>Office equipment £</b>	<b>Computers £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2021	123,258	196,664	231,422	551,344
Additions	187,618	92,122	393,255	672,995
Disposals	<u>(141,408)</u>	<u>(123,428)</u>	-	<u>(264,836)</u>
<b>At 31 December 2021</b>	<u>169,468</u>	<u>165,358</u>	<u>624,677</u>	<u>959,503</u>
<b>Accumulated depreciation</b>				
At 1 January 2021	114,131	101,138	99,173	314,442
Charge for the year	106,195	56,259	131,513	293,967
On disposals	<u>(141,408)</u>	<u>(82,624)</u>	-	<u>(224,032)</u>
<b>At 31 December 2021</b>	<u>78,918</u>	<u>74,773</u>	<u>230,686</u>	<u>384,377</u>
<b>Carrying amount</b>				
At 31 December 2021	<u>90,550</u>	<u>90,585</u>	<u>393,991</u>	<u>575,126</u>
<b>At 31 December 2020</b>	<u>9,127</u>	<u>95,526</u>	<u>132,249</u>	<u>236,902</u>

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****11 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	350,462	94,325
Corporation tax recoverable	-	206,646
Amounts owed by parent undertaking	3,509,501	2,549,215
Other debtors	234,907	64,097
Director's loan account	372,204	207,842
Prepayments and accrued income	1,313,344	811,787
	<u>5,780,418</u>	<u>3,933,912</u>
Deferred tax asset (note 14)	52,764	93,580
	<u>5,833,182</u>	<u>4,027,492</u>

Amounts owed by parent undertaking are repayable on demand. No provision has been made for non-recovery of this amount due to the financial support provided to the parent company by EMK Capital Partners. A provision of £3.7k (2020: £3.7k) was made against trade debtors in respect of non-payment of an amount due from one customer.

**12 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	2,084,242	696,892
Other taxes and social security	1,590,030	1,755,890
Accruals and deferred income	8,734,384	5,403,554
Corporation tax	924,276	-
	<u>13,332,932</u>	<u>7,856,336</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

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**13 Provisions for liabilities and charges**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Sales tax not recoverable	<u>758,903</u>	<u>301,700</u>

**Movements on provisions:**

	<b>Sales tax not recoverable £</b>
At 1 January 2021	301,700
Additional provisions in the year	<u>457,203</u>
At 31 December 2021	<u>758,903</u>

The above provision relates to the cost the company estimates that it will incur in settling the sales tax liability for uncollected sales taxes in fourteen states in the United States, where the company has not collected sales taxes since between the enactment date of Wayfair in each of those states and the balance sheet date of these financial statements.

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****14 Deferred taxation**

The following are the major deferred tax assets and liabilities recognised by the company and movements thereon:

	2021	2020
	£	£
Balance at the beginning of the year	93,580	-
Deferred tax (charge)/ credit for the year	<u>(40,816)</u>	<u>93,580</u>
Balance at the end of the year	52,764	93,580

	2021	2020
	£	£
The elements of deferred taxation are as follows:		
Accelerated capital allowances	(125,578)	(30,687)
Tax losses	-	66,944
Provisions	178,342	57,323
	<u>52,764</u>	<u>93,580</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the sales tax not recoverable in the US.

**15 Retirement benefit schemes**

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>130,625</u>	<u>41,822</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****16 Share-based payment transactions**

As at 31 December 2021, 52 employees (2020: 42 employees) had unexercised share options over 11,459 shares (2020: 9,667 shares) of the Class B Common Stock of Etender Inc., the company's parent undertaking. The options vest over a four year period from the date of the grant. The options are subject to certain conditions as set out in the scheme rules. The company recognises an equity-settled share-based payment expense based on the Black-Scholes model to measure the fair value of share options granted during the year. During the year to 31 December 2021, £1,171,877 of share-based payment expense been recognised in these financial statements (2020: £nil).

	2021 Number of options	2021 Weighted average (£)	2020 Number of options	2020 Weighted average (£)
B/f	9,667	511	1,812	376
Granted	5,333	496	7,908	543
Lapsed	(3,541)	494	(53)	625
Exercised	-	-	-	-
C/f	11,459	509	9,667	511

**17 Called-up share capital**

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid of £1 each	1	1	1	1

**18 Ultimate controlling party**

At the balance sheet date, the company was wholly owned by Etender Inc., a corporation registered in Delaware, USA. The director considered the ultimate controlling party to be The AM Share Trust - A Sub Fund, a trust which is registered in Jersey. Subsequent to the year end, on 29 April 2022 the entire share capital of BGL's parent company, Etender Inc., was acquired by EMK Capital Partners who are therefore now the controlling party of the company.

**19 Merger reserve**

On 31 March 2017, the trade, and certain assets and liabilities, of the UK permanent establishment (Etender (UK) Limited) of the company's parent undertaking (Etender Inc.) were transferred to the company at net book value in accordance with FRS 102, section 19, paragraph 27-29. This transaction has been accounted for using the merger accounting method recognising a negative merger reserve of £313,347 equal to the net book value of the assets transferred at 31 March 2017.

**20 Related party transactions**

During the year the company provided a loan of £372,204 (2020: £207,842) to the director. The loan remained outstanding at 31 December 2021, but had been paid off at the time of signing of these financial statements. The highest amount outstanding during the year was £372,204 (2020: £207,842).

During the year the company provided a loan of £170,429 (2020: £nil) to Andrew Michael (a beneficial owner of the company during the year). The loan remained outstanding at 31 December 2021, but had been paid off at the time of signing of these financial statements. The highest amount outstanding during the year was £170,429 (2020: £nil).

**BARK.COM GLOBAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****21 Cash generated from operations**

	2021	2020
	£	£
Operating profit	7,165,780	3,723,623
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	293,967	158,152
Amortisation of intangible assets	1,865	-
Share-based payment expense	1,171,877	-
<b>Movements in working capital:</b>		
Increase in debtors	(2,047,259)	(1,354,403)
Increase in creditors	5,009,524	4,286,678
	<u>11,595,754</u>	<u>6,814,050</u>
<b>Cash generated from operations</b>	<b>11,595,754</b>	<b>6,814,050</b>

**22 Analysis of changes in net funds**

	1 January 2021	Cash flows 31 December 2021	
	£	£	£
Cash at bank and in hand	7,143,862	11,071,346	18,215,208
	<u>7,143,862</u>	<u>11,071,346</u>	<u>18,215,208</u>

**23 Capital and other commitments**

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
No later than one year	130,193	-
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<u>130,193</u>	<u>-</u>

**BARK.COM GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**24 Contingent liabilities**

During the financial years ended 31 December 2020 and 2021 the company made a number of payments to and on behalf of a related party outside the normal course of business. These transactions have been debited to a related party loan account where identified. The director recognises that this treatment could be challenged by relevant authorities but no provision has been made for any recovery or penalty due in relation to these payments on the basis that management is unable to determine if any exposure exists or is probable to arise.

**25 Post balance sheet event**

On 29 April 2022 the entire share capital of BGL's parent company, Etender Inc., was acquired by EMK Capital Partners. The director considers EMK Capital Partners to be the ultimate controlling party of the company.