

YUNOJUNO LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

WEDNESDAY



ABD15T57

A03

28/09/2022

#330

COMPANIES HOUSE

YUNOJUNO LIMITED

COMPANY INFORMATION

Directors	Mr Shibu Varghese Mathew Mr Hugo Rodger-Brown Mr Greg Lockwood
Registered number	08117525
Registered office	51 Great Marlborough Street London W1F 7JT
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Mindspace 9 Appold Street London EC2A 2AP

YUNOJUNO LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Consolidated profit and loss account	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated statement of cash flows	14
Consolidated analysis of net debt	15
Notes to the financial statements	16 - 30

YUNOJUNO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Business review

The principal activity of the company in the period under review was that of the provision of the online freelance platform Yunojuno.com.

The Directors are satisfied with the financial performance for the year ended 31st December 2021 under the given circumstances.

Going Concern

The directors have prepared the financial statements on the going concern basis having projected cashflow and operating forecasts and have also considered a reasonable downside model for the business for a period of at least 12 months from the date of signing these financial statements and have concluded that the company is a going concern 12 months ahead. In considering the going concern assumption, the directors have also taken into account the balance sheet position at the date of signature of these financial statements and have reviewed the company's finance facilities. In Aug22 Yunojuno changed Invoice Financing facility from HSBC to Close Brothers as an alternative provider.

Revenues increased consistently during 2021 and further increases in Q4. The forecasts for the next 12 months continue to be prudent and have been prepared with downside scenarios in mind and the downside scenarios allow for sufficient access to working capital in the next 12 months.

The Directors have a reasonable expectation that the Group has adequate resources to continue to be able to pay its liabilities as they fall due for a minimum of 12 months from the approval of these accounts. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include, credit risk, liquidity risk and general market risks related to COVID-19. The company has in place the relevant controls that seek to limit the adverse effects of the risks on the financial statements of the group.

Key performance indicators

The growth in turnover of Yunojuno Limited is determined to be a key financial performance indicator.

On a like for like basis, for the 12 month period ending 31st December 2021 sales of Yunojuno Limited increased to £128,266,381 (2020: £80,489,692).

2021 closed a net profit of £240,850 and an EBITDA of £649,011.

Credit risk

New customers are only accepted onto the platform once all relevant credit checks have been performed or advance payment has been ensured.

Liquidity risk

The company is financed with appropriate cash levels and long term and short term finance to match the needs of the business.

YUNOJUNO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

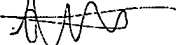
General market conditions

We see clear evidence that COVID-19 has accelerated the demand for highly skilled freelancers in many of our core disciplines. Should the economy retract, the company has appropriate access to working capital and can adjust costs to match the needs of the business through monthly detailed reporting and quarterly pulse checks with the Board.

Subsequent events

YunoJuno completed an investment round in March 2022 to target growth in headcount and international expansion.

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

DocuSigned by:

789DC4FE42C0423...
Mr Shibu Varghese Mathew
Director

Date: 23 September 2022

YUNOJUNO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £273,624 (2020 - loss £739,766).

The directors have not declared or paid a dividend (2020: £Nil) in the year.

Directors

The directors who served during the year are detailed on the company information page.

YUNOJUNO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Interaction with stakeholders

In accordance with section 172 Of the UK Companies Act 2006, in its decision making the Board considers the interests of the Group's employees and other stakeholders. The Board understands the importance of taking into account the views of all stakeholders and considers the impact of the Group's activities on the communities in which the Group operates, the environment and the Group's reputation. In its decision making the board also considers what is most likely to promote the success of the Group its stakeholders in the long term. Information about our stakeholders and on how the Board has discharged its duties under Section 172 are available below and in the strategic report.

The board considers the main stakeholders of the business to be clients in commercial relationship with the business, the community freelancers served by the business and its employees and it considers that these have been interacted with in way that ensures that their best interest are kept in mind at all times.

The company has limited impact on the environment as a pure digital services provider but is still committed to limiting its negative impact. In 2022 the company intends to seek a holistic sustainability rating from EcoVadis.

Streamlined Energy and Carbon Reporting (SECR)

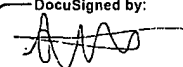
The group and company is under the allowable kWh limit for SECR reporting.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

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

DocuSigned by:


789DC4FE42C0423...

Mr Shibu Varghese Mathew
Director

Date: 23 September 2022

YUNOJUNO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNOJUNO LIMITED

Opinion

We have audited the financial statements of YunoJuno Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group profit and loss account, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

YUNOJUNO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNOJUNO LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

YUNOJUNO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNOJUNO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

YUNOJUNO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUNOJUNO LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Leith (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Mindspace

9 Appold Street

London

Date: 23 September 2022

YUNOJUNO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

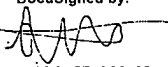
	Note	2021 £	2020 £
Turnover	4	128,266,381	80,489,693
Cost of sales		123,327,032	(77,391,614)
Gross profit		<u>4,939,349</u>	<u>3,098,079</u>
Administrative expenses		(4,676,675)	(4,171,229)
Other operating income	5	-	199,497
Operating profit/(loss)	6	<u>262,674</u>	<u>(873,653)</u>
Interest payable and similar expenses		(21,824)	(20,103)
Profit/(loss) before tax		<u>240,850</u>	<u>(893,756)</u>
Tax on profit/(loss)	10	32,774	153,990
Profit/(loss) for the financial year		<u><u>273,624</u></u>	<u><u>(739,766)</u></u>

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED
REGISTERED NUMBER: 08117525
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	537,524	884,603
Tangible assets	12	49,320	46,401
		<u>586,844</u>	<u>931,004</u>
Current assets			
Debtors: amounts falling due within one year	14	26,110,845	17,827,567
Cash at bank and in hand		74,291	508,238
		<u>26,185,136</u>	<u>18,335,805</u>
Creditors: amounts falling due within one year	15	(24,833,112)	(17,601,700)
Net current assets		<u>1,352,024</u>	<u>734,105</u>
Total assets less current liabilities		<u>1,938,868</u>	<u>1,665,109</u>
Provisions for liabilities			
Net assets excluding pension asset		<u>1,938,868</u>	<u>1,665,109</u>
Net assets		<u><u>1,938,868</u></u>	<u><u>1,665,109</u></u>
Capital and reserves			
Called up share capital	16	39,859	39,859
Share premium account	17	11,444,244	11,444,244
Foreign exchange reserve	17	(1,406)	(1,541)
Profit and loss account	17	(9,543,829)	(9,817,453)
Equity attributable to owners of the parent company		<u>1,938,868</u>	<u>1,665,109</u>
		<u><u>1,938,868</u></u>	<u><u>1,665,109</u></u>

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

DocuSigned by:

789DC4FE42C0423...

.....
Mr Shibu Varghese Mathew
Director

The notes on pages 16 to 30 form part of these financial statements.

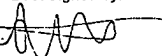
YUNOJUNO LIMITED
REGISTERED NUMBER: 08117525

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	537,524	884,603
Tangible assets	12	49,320	46,401
Investments	13	8	8
		586,852	931,012
Current assets			
Debtors: amounts falling due within one year	14	26,120,845	17,837,567
Cash at bank and in hand		71,483	499,247
		26,192,328	18,336,814
Creditors: amounts falling due within one year	15	(24,833,112)	(17,601,700)
Net current assets		1,359,216	735,114
Net assets		1,946,068	1,666,126
Capital and reserves			
Called up share capital	16	39,859	39,859
Share premium account	17	11,444,244	11,444,244
Profit and loss account carried forward		(9,538,035)	(9,817,977)
		1,946,068	1,666,126

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

DocuSigned by:



789DC4FE42C0423.....

Mr Shibu Varghese Mathew

Director

Date: 23 September 2022

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	39,859	11,444,244	(1,541)	(9,817,453)	1,665,109
Profit for the year	-	-	-	273,624	273,624
Currency translation differences	-	-	135	-	135
At 31 December 2021	39,859	11,444,244	(1,406)	(9,543,829)	1,938,868

The notes on pages 16 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	22,394	11,170,042	(1,156)	(9,077,687)	2,113,593
Loss for the year	-	-	-	(739,766)	(739,766)
Currency translation differences	-	-	(385)	-	(385)
Shares issued during the year	17,465	274,202	-	-	291,667
At 31 December 2020	39,859	11,444,244	(1,541)	(9,817,453)	1,665,109

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	39,859	11,444,244	(9,817,977)	1,666,126
Profit for the year	-	-	279,942	279,942
At 31 December 2021	39,859	11,444,244	(9,538,035)	1,946,068

The notes on pages 16 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	22,394	11,170,042	(9,087,567)	2,104,869
Loss for the year	-	-	(730,410)	(730,410)
Shares issued during the year	17,465	274,202	-	291,667
At 31 December 2020	39,859	11,444,244	(9,817,977)	1,666,126

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	273,624	(739,766)
Adjustments for:		
Amortisation of intangible assets	375,961	481,378
Depreciation of tangible assets	29,289	31,043
Interest paid	21,824	20,103
Taxation charge	(32,774)	(153,990)
(Increase)/decrease in debtors	(8,250,504)	5,652,060
Increase in creditors	863,110	1,421,655
Corporation tax received	-	273,990
Foreign exchange	135	(385)
Net cash generated from operating activities	<u>(6,719,335)</u>	<u>6,986,088</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(28,882)	(64,523)
Purchase of tangible fixed assets	(32,208)	(19,608)
Net cash from investing activities	<u>(61,090)</u>	<u>(84,131)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	291,667
Interest paid	(21,824)	(20,103)
Net cash used in financing activities	<u>(21,824)</u>	<u>271,564</u>
Net (decrease)/increase in cash and cash equivalents	(6,802,249)	7,173,521
Cash and cash equivalents at beginning of year	(7,593,105)	(14,766,626)
Cash and cash equivalents at the end of year	<u>(14,395,354)</u>	<u>(7,593,105)</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	74,291	508,238
Bank overdrafts	(14,469,645)	(8,101,343)
	<u>(14,395,354)</u>	<u>(7,593,105)</u>

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	508,238	(433,947)	74,291
Invoice discounting facility	(8,101,343)	(6,368,302)	(14,469,645)
	<u>(7,593,105)</u>	<u>(6,802,249)</u>	<u>(14,395,354)</u>

The notes on pages 16 to 30 form part of these financial statements.

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

YunoJuno Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared in Sterling (£), which is the functional currency of the group. The financial statements are for the year ended 31 December 2021 (2020: year ended 31 December 2020).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries (the 'Group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on the going concern basis.

The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statements. The detailed projections demonstrate the company is forecast to remain cash positive and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

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.

2.5 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is measured with reference to contract rates and contract periods and is recognised as services are delivered to customers. Revenue is deferred or accrued as appropriate at the period end to the extent the service is delivered.

Revenue is recognised gross taking into account factors in respect of credit risk, control over commission structure and ultimate selling price, and risk of quality and delivery of services. Further, the company contracts directly with customers and separately with freelancers.

2.6 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.8 Share based payments

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

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

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

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

YUNOJUNO LIMITED

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

2. Accounting policies (continued)

2.9 Pensions

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

The contributions are recognised as an expense in the consolidated 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 group in independently administered funds.

2.10 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

2.11 Debt factoring

Where the entity has not transferred to the factor all significant benefits (i.e. the future cash flows from payment by the debtors) and all significant risks (i.e. slow payment risk and the risk of bad debts) relating to the debts and has an obligation to repay the factor, the debtor remains on the company's balance sheet and a corresponding liability is shown in respect of the proceeds received from the factor.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development costs	-	5	years
-------------------	---	---	-------

2.13 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.

YUNOJUNO LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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% straight line
--------------------	---	-------------------

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Financial instruments

The Group 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 and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

YunoJuno's revenue is generated through its interactive platform, facilitating employers booking freelancers. YunoJuno's site is in consistent development, improvement and growth, therefore all expenses incurred for this sole purpose are capitalised.

Independent freelancers are hired for the site development and the relevant expenses are capitalised in full for 5 years using straight line depreciation. The carrying value represented in the account are for intangible assets capitalised since 2014.

The estimation uncertainty arises as a result of the use of 5 years as the useful economic life, which is based on management's judgement. Given the pace of change in technology and the need to constantly develop, management have deemed a 5 year useful economic life as reasonable.

There were no other significant judgements made in the preparation of these accounts.

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	127,700,626	80,275,398
Rest of Europe	565,755	214,295
	<u>128,266,381</u>	<u>80,489,693</u>

The total turnover of the company for the year has been derived wholly from its principal activity.

5. Other operating income

	2021 £	2020 £
Government grants receivable	-	199,497
	<u>-</u>	<u>199,497</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	29,289	31,043
Exchange differences	4,640	10,467
Amortisation of intangible assets	375,961	481,379
Operating lease payments	57,750	329,095
	<u>507,640</u>	<u>952,084</u>

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	29,500	26,500
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	5,000	4,000
Other services relating to taxation	25,000	21,500
	<u>30,000</u>	<u>25,500</u>

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,015,798	1,780,045	2,015,798	1,780,045
Social security costs	218,335	198,138	218,335	198,138
Cost of defined contribution scheme	44,147	63,816	44,147	63,816
	<u>2,278,280</u>	<u>2,041,999</u>	<u>2,278,280</u>	<u>2,041,999</u>

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

	2021 No.	2020 No.
Administration	8	3
Product, marketing and sales	31	17
Community and client support	16	13
	<u>55</u>	<u>33</u>

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	276,577	128,309
Group contributions to defined contribution pension schemes	3,726	3,063
	<u>280,303</u>	<u>131,372</u>

During the year retirement benefits were accruing to no directors (2020 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £127,890 (2020 - £67,358).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,105 (2020 - £2,813).

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax credit on loss for the year	(65,586)	(153,990)
Adjustments in respect of previous periods	32,812	-
Taxation credit on loss on ordinary activities	<u>(32,774)</u>	<u>(153,990)</u>

Factors affecting tax charge for the year

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

	2021 £	2020 £
Loss on ordinary activities before tax	<u>240,850</u>	<u>893,756</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(43,763)	(169,814)
Effects of:		
Expenses not deductible for tax purposes	2,891	4,925
Adjustments to tax charge in respect of prior periods	32,812	-
Deferred tax not recognised net of movement in rates	(22,878)	16,117
Fixed asset differences	(1,836)	(5,218)
Total tax credit for the year	<u>(32,774)</u>	<u>(153,990)</u>

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. It was substantively enacted on 24 May 2021 and so the deferred tax rate applicable at 31 December 2020 was still 19%.

11. Intangible assets

Group and Company

	Development costs £
Cost	
At 1 January 2021	2,900,992
Additions	28,882
At 31 December 2021	<u>2,929,874</u>
Amortisation	
At 1 January 2021	2,016,389
Charge for the year	375,961
At 31 December 2021	<u>2,392,350</u>
Net book value	
At 31 December 2021	<u><u>537,524</u></u>
At 31 December 2020	<u><u>884,603</u></u>

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

Group and Company

	Computer equipment £
Cost	
At 1 January 2021	147,721
Additions	32,208
At 31 December 2021	<u>179,929</u>
Depreciation	
At 1 January 2021	101,320
Charge for the year on owned assets	29,289
At 31 December 2021	<u>130,609</u>
Net book value	
At 31 December 2021	<u>49,320</u>
At 31 December 2020	<u>46,401</u>

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2021 and at 31 December 2020	8

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
YunoJuno Inc.	Floor 3, 116 West Houston St	Ordinary	100%
YunoJuno LLC	Floor 3, 116 West Houston St	Ordinary	100%

14. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	23,993,155	15,417,354	23,993,155	15,417,354
Amounts owed by group undertakings	-	-	10,000	10,000
Other debtors	54,361	31,062	54,361	31,062
Prepayments and accrued income	1,997,743	2,346,339	1,997,743	2,346,339
Tax recoverable	65,586	32,812	65,586	32,812
	<u>26,110,845</u>	<u>17,827,567</u>	<u>26,120,845</u>	<u>17,837,567</u>

The impairment loss recognised in the consolidated statement of comprehensive income in respect of bad and doubtful debts was £113,386 (2020: £77,387).

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Invoice discounting facility	14,469,645	8,101,343	14,469,645	8,101,343
Trade creditors	1,326,901	738,779	1,326,901	738,779
Other taxation and social security	2,786,018	4,297,584	2,786,018	4,297,584
Other creditors	304,332	130,754	304,332	130,754
Accruals and deferred income	5,946,216	4,333,240	5,946,216	4,333,240
	<u>24,833,112</u>	<u>17,601,700</u>	<u>24,833,112</u>	<u>17,601,700</u>

The invoice discounting facility is secured by fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and first floating charge over all assets and undertaking both present and future.

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2,021,891 Ordinary shares of £0.01 each	20,219	20,219
81,162 Series C preferred shares of £0.01 each	811	811
136,358 Series D preferred shares of £0.01 each	1,364	1,364
1,746,509 Series E preferred shares of £0.01 each	17,465	17,465
	<u>39,859</u>	<u>39,859</u>

YUNOJUNO LIMITED

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

16. Share capital (continued)

There were no new share issues during the year.

All classes of shares have the following rights:

Voting - Each share has one vote

Dividends - Each share is entitled to pari passu dividend payments

Redemption - The shares are not redeemable.

Capital return by class:

Ordinary shares - Each share is entitled to participate in a distribution (including on a winding up) ranking below all other share classes.

Series C preferred shares - Each share is entitled to participate in a distribution (including on a winding up) ranking in priority to A preferred shares, B preferred shares and ordinary shares, but below D preferred shares and E preferred shares.

Series D preferred shares - Each share is entitled to participate in a distribution (including on a winding up) ranking in priority to A preferred shares, B preferred shares, C preferred shares and ordinary shares, but below E preferred shares.

Series E preferred shares - Each share is entitled to participate in a distribution (including on a winding up) ranking in priority to all other share classes.

17. Reserves

Share Capital

Share capital represents the nominal value of shares issued.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares is deducted from share premium.

Foreign exchange reserve

The translation reserve has arisen as a result of translation of a foreign subsidiary.

Profit and loss account

Includes all current and prior period retained profits and losses.

YUNOJUNO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Share based payments

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	2.86	1,199,149	2.86	10,946
Granted during the year	0	-	0.03	1,188,703
Forfeited during the year	2.86	(3,250)	2.86	(500)
Outstanding at the end of the year	0.05	1,195,899	0.05	1,199,149

The YunoJuno Share Option scheme was introduced on 7 June 2016. Under the scheme, the Board can grant options over ordinary shares in the company to employees of the company.

No share based payment charge has been recognised in the year as the directors do not consider it is material to results of the company.

19. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £44,147 (2020: £63,816). Contributions totalling £Nil (2020: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

20. Commitments under operating leases

At 31 December 2021 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	10,500	57,750

21. Post balance sheet events

On 15 January 2022 the group issued 85,002 Ordinary shares of a nominal value of £0.01 for a consideration of £0.03 per share.

On 17 March 2022 the group issued 366,680 Ordinary shares of a nominal value of £0.01 for a consideration of £0.03 per share.

On 28 March 2022 the group issued 1,533,742 Ordinary shares of a nominal value of £0.01 for a consideration of £3.26 per share.

YUNOJUNO LIMITED

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

22. Controlling party

The company is ultimately controlled by Piton Capital LLP by virtue of its majority shareholding.