

Kuflink Limited

Annual Report & Financial Statements

for the year ended
30th June 2017



Kuflink

Company registration number 08460508

Authorised and regulated by the FCA, registration number 724890

KUFLINK LTD

COMPANY INFORMATION

Directors	S Moody	
	T Garcha	
	J Burden	(Appointed 9 September 2016)
	A Meeks	(Appointed 9 September 2016)
Company number	08460508	
Registered office	12 Helmet Row London EC1V 3QJ	
Auditor	Leigh Carr Chartered Accountants 12 Helmet Row London EC1V 3QJ	
Business address	21 West Street Gravesend Kent DA11 0BF	

KUFLINK LTD

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

STRATEGIC REPORT

The directors present the strategic report for the Period ended 30 June 2017.

A time of change

The last 18 months has been a time of transformation and enormous growth for Kuflink.

We launched our property-backed Peer-to-Peer (P2P) platform in August 2016, having spent the early part of 2016 preparing the business for the launch. This was a strategic decision as part of the growth model to move into the alternative finance sector to complement the bridging activity carried out by Kuflink Bridging Ltd.

Our vision has always been about creating an online marketplace to bring together borrowers and investors, allowing borrowers access to short-term loans at speed and investors high-returns on short-term investments in a challenging regulatory environment.

Peer-to-Peer investing launches

Having launched our P2P platform in August 2016 we achieved FCA authorisation in April 2017, ahead of many of our competitors. All of our Bridging Loans are pre-funded by Kuflink Bridging Ltd, then reviewed by a separate independent credit committee prior to going on our P2P platform for individuals and corporates to invest in.

When the platform was launched a range of tools were implemented to enable investors to manage their investments quickly and easily online. Our first P2P product, 'Select-Invest', as the name suggests, allows investors to select an individual property to invest in. We have great confidence in Select-Invest, and are the only platform in Europe that invests up to 20% through Kuflink Bridging into each deal.

Post full FCA authorisation we have been successfully working with several corporate institutions who are investing on the platform. We see this as an area of growth for the company.

In May 2017, we received authorisation to become ISA Managers and in June 2017 we launched Auto-Invest and also an Innovative Finance ISA where we spread investors risk across a portfolio of properties and provide a fixed rate of interest for the term chosen. Kuflink Bridging Ltd lends up to 5% into each deal. We have seen strong demand for the Innovative Finance ISA with the majority funds coming from transfers-in.

Awards

Having launched our P2P platform in August 2016 we were delighted to win the Business Moneyfacts 'Business Product Innovation of the Year' in March 2017 and also the 'Best Specialist Finance Provider' at the Property Wire Awards in April 2017. These awards are testament to our innovative approach to property-backed P2P investing and the investment Kuflink Bridging Ltd makes into every deal.

Building the brand

Our success has been achieved from a standing start with a brand with no heritage and thus unknown in the P2P marketplace.

Heavily weighted online campaigns have formed the thrust of the promotion including the use of social media, of our P2P investments coupled with some radio and print advertising. We also launched a successful 'Refer a Friend' campaign attracting new investors to the platform.

In addition, we have attended a number of high profile trade shows in particular the NACFB and The Finance Professional Show which are attended by both professionals and individuals.

We keep in touch with our investors with a regular email programme letting them know about new deals and other pertinent topics relating to P2P investing and property. We also make regular calls to our investor seeking feedback from them, which we find invaluable to making changes to our proposition.

We also work closely with our PR agency to achieve press coverage for Kuflink and our achievements over the last 18 months.



Fair review of the business

Attracting local talent

At the start of 2016 the group employed eight people, and by the end of June 2017 this had grown to 40 to support our expansion. We are proud of our low attrition rates and of the talent we have attracted in a short time. Recruiting, retaining and developing our people is what makes Kuflink the company it is.

Initially a large proportion of work was undertaken by external consultants, however, we now have a specialist IT team who have developed the company's online capability with a small amount of activity being outsourced. Likewise, the marketing function has been enhanced in a similar vein.

From inception in March 2016 to June 2017 the business has grown significantly and we continue to be overwhelmed by the demand from retail and corporate investors. We have ambitious plans and our people are the bedrock to delivering this to our different audiences and driving the business forward. Our size enables us to be nimble and react quickly to changes in the market.

Information Technology

Considerable time and investment has been put into developing and implementing a platform where we can securely share information with our investors and they can safely interact with Kuflink.

The platform has been designed using the latest industry standards and cutting-edge technology. It has been built utilising service oriented architecture allowing for scalability and flexibility to interact with other third-party application partners, allowing for rapid expansion and building innovative collaborations. Our community of investors are at the heart of our business and we are constantly improving our software to source and serve the best deals for them based on their individual risk appetite.

We launched a mobile friendly website and platform making it more transparent and improving the navigation and this is an area that we will continually develop.

Welcoming regulations

In addition to our own compliance and monitoring team, we also work with an external compliance company who are well known to the Prudential Regulation Authority and the Financial Conduct Authority.

We were delighted to receive full authorisation by working closely with the regulator to achieve this. We not only met the requirements but moved the bar considerably up.

We are an active member of the UK Crowd Funding Association.

Looking forward

With the ongoing low-interest economic environment we anticipate continuing strong demand for P2P investing as individuals and corporates look to alternative methods of investing to maximise their returns.

There are a number of projects which will come to fruition in the next 12 months:

- We are investigating how we can work with other lenders to offer them the ability to put their deals on our platform
- We are looking at offering a secondary market and we anticipate that this will be in place by the end of 2017
- A mobile app will be developed to interface with the website and portal
- We propose to offer a landlord equity crowd funding product in early 2018

and to support these changes, we are planning to introduce new complementary technology.



STRATEGIC REPORT (continued)

Finally, the support from our investors to our competitive products and service over the last 18 months gives us confidence in the changes we propose to bring to the market in the coming year.

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Moody', with a long horizontal stroke extending to the right.

S Moody

Director

4 September 2017



DIRECTORS' REPORT

The directors present their annual report and financial statements for the Period ended 30 June 2017.

Principal activities

The principal activity of the company was that of operating an electronic peer to peer (P2P) platform as an FCA authorised and regulated firm. The company commenced developing a platform to enable investment in property-backed loans, which became operational in August 2016.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

S Moody	
T Garcha	
N Khattoare	(Resigned 28 June 2017)
J Burden	(Appointed 9 September 2016)
A Meeks	(Appointed 9 September 2016)
R O'Brien	(Appointed 12 September 2016 and resigned 28 June 2017)
R Ottman	(Resigned 28 April 2016)
J Sethi	(Appointed 12 September 2016 and resigned 12 September 2016)

Results and dividends

The results for the Period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Leigh Carr were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



S Moody

Director

4 September 2017

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Kuflink Ltd for the Period ended 30 June 2017 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the Period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial Period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Ralph de Souza (Senior Statutory Auditor)
for and on behalf of Leigh Carr

5 September 2017

Chartered Accountants
Statutory Auditor

12 Helmet Row
London
EC1V 3QJ



BALANCE SHEET

		Period ended 30 June 2017 £	Year ended 31 March 2016 £
	Notes		
Turnover	3	66,511	-
Cost of sales		(55,009)	-
		<hr/>	<hr/>
Gross profit		11,502	-
Administrative expenses		(891,748)	-
		<hr/>	<hr/>
Loss before taxation		(880,246)	-
Taxation	7	<hr/>	<hr/>
Loss for the financial Period		<u>(880,246)</u>	<u>-</u>

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



STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30 June 2017 £	Year ended 31 March 2016 £
Loss for the Period	(880,246)	-
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>(880,246)</u>	<u>-</u>



The financial statements were approved by the board of directors and authorised for issue on 4 September 2017 and are signed on its behalf by:

S Moody
Director



STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015		-	-	-
Period ended 31 March 2016:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	13	100	-	100
Balance at 31 March 2016		<u>100</u>	<u>-</u>	<u>100</u>
Period ended 30 June 2017:				
Loss and total comprehensive income for the period		-	(880,246)	(880,246)
Issue of share capital	13	125,000	-	125,000
Balance at 30 June 2017		<u>125,100</u>	<u>(880,246)</u>	<u>(755,146)</u>



STATEMENT OF CASH FLOWS

		2017		2016	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19	1,076,274		-	
Investing activities					
Purchase of intangible assets		(850,707)		-	
Purchase of tangible fixed assets		(176,300)		-	
Net cash used in investing activities		(1,027,007)		-	
Financing activities					
Proceeds from issue of shares		125,000		100	
Net cash generated from financing activities		125,000		100	
Net increase in cash and cash equivalents		174,267		100	
Cash and cash equivalents at beginning of Period		100		-	
Cash and cash equivalents at end of Period		174,367		100	



NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Company information

Kuflink Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 12 Helmet Row, London, EC1V 3QJ.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.



1.5 Intangible fixed assets other than goodwill

Development Costs

An internally generated asset arising from the Company's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new systems)
- it is probable that the asset created will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

Internally generated assets are amortised on a straight line basis over their expected useful lives.

The Company is in the process of developing its own internally generated platform and software to manage its operations. Directly attributable costs have been capitalised and will be amortised over the useful life of the software and systems once fully developed.

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:

Land and buildings Leasehold	25% reducing balance
------------------------------	----------------------

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.

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.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Platform fees	66,511	-
	<u> </u>	<u> </u>

4 Operating loss

	2017 £	2016 £
Operating loss for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	19,600	-
Depreciation of owned tangible fixed assets	28,762	-
Operating lease charges	<u>95,000</u>	-

5 Employees

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

	2017 Number	2016 Number
Operational	4	1
Administration and support	9	-
	<u>13</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Employees

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	523,996	-
Social security costs	51,738	-
	<u>575,734</u>	<u>-</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration	45,797	-
	<u>45,797</u>	<u>-</u>

7 Taxation

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

	2017 £	2016 £
Loss before taxation	(880,246)	-
	<u>(880,246)</u>	<u>-</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(176,049)	-
Tax effect of expenses that are not deductible in determining taxable profit	5,752	-
Group relief	170,297	-
	<u>-</u>	<u>-</u>
Taxation for the period	<u>-</u>	<u>-</u>



8 Intangible fixed assets

	Development Costs
	£
Cost	-
At 1 April 2016	850,707
Additions - separately acquired	<u>850,707</u>
At 30 June 2017	<u>850,707</u>
Amortisation and impairment	-
At 1 April 2016 and 30 June 2017	<u>-</u>
Carrying amount	
At 30 June 2017	<u>850,707</u>
At 31 March 2016	<u>-</u>

The Company is in the process of developing its own internally generated platform and software to manage its operations. Development of the platform commenced in March 2016 and is currently in progress. During the period, £850,707 has additionally been capitalised in relation to the development of this platform. These costs will be amortised over the useful life of the software and system once it is fully developed. No amortisation has been recognised in respect of the platform as it has been under the course of construction at the balance sheet date.

9 Tangible fixed assets

	Land and buildings Leasehold
	£
Cost	-
At 1 April 2016	176,300
Additions	<u>176,300</u>
At 30 June 2017	<u>176,300</u>
Depreciation and impairment	-
At 1 April 2016	28,762
Depreciation charged in the Period	<u>28,762</u>
At 30 June 2017	<u>28,762</u>
Carrying amount	
At 30 June 2017	<u>147,538</u>
At 31 March 2016	<u>-</u>

10 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,189,572	-
Carrying amount of financial liabilities		
Measured at amortised cost	4,124,283	-

11 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amount due from parent undertaking	125,100	-
Amounts due from fellow group undertakings	2,064,472	-
Prepayments and accrued income	19,359	-
	2,208,931	-

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,138,900	-
Amounts due to group undertakings	1,928,283	-
Other taxation and social security	12,406	-
Accruals and deferred income	57,100	-
	4,136,689	-

13 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
125,100 Ordinary share of £1 each	125,100	100

14 Financial commitments, guarantees and contingent liabilities

The Company holds a Reserve Fund for the benefit of Lenders. Kuflink Ltd will use the funds to cover missed interest payments as and when it deems appropriate, and replenish the fund when the Borrower pays.

If the Borrower ultimately defaults and there is a shortfall (from the proceeds of repossessing and selling the asset, less all related enforcement costs), a claim will be made on the fund for any remaining principal and interest due.

Kuflink Ltd operates its Reserve Fund on a discretionary basis and does not guarantee that a claim will be approved, nor that there will be sufficient funds available at any given time. As at date of this report, the balance of the Reserve Fund was £ 150,092. There were no claims outstanding against this fund at the date of this report.

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Between one and two years	95,000	-
	=====	=====

16 Events after the reporting date

Following the year end the company has issued 1 million ordinary shares of £1 each to its holding company Kuflink Group plc. This has the effect of increasing the equity shares base of the company by £1 million.

17 Related party transactions

The company has taken advantage of the exemption allowed by FRS 102, "Related party disclosures", not to disclose any transaction with members of the group of Kuflink Group Plc where 100% of the voting rights of those companies are controlled within that group.

18 Controlling party

The company's immediate parent undertaking and controlling party is Kuflink Group Plc, a company registered in England & Wales.

19 Cash generated from operations

	2017	2016
	£	£
Loss for the Period after tax	(880,246)	-
Adjustments for:		
Depreciation and impairment of tangible fixed assets	28,762	-
Movements in working capital:		
(Increase) in debtors	(2,208,931)	-
Increase in creditors	<u>4,136,689</u>	<u>-</u>
Cash generated from/(absorbed by) operations	<u><u>1,076,274</u></u>	<u><u>-</u></u>

Connecting people
to financial freedom.



K u f l i n k

Company registration number 08460508

Authorised and regulated by the FCA, registration number 724890