

Molo Tech Limited

Annual Report and Financial Statements

For the year ended 31 December 2024



Company Registration No. 10510180 (England and Wales)

Molo Tech Limited

Company Information

Directors

A. M. Chepul	
L. Blackwell	
I. Pavlopoulos	
G. L. Olsen	(Resigned 31 July 2024)
N. Batley	(Appointed 21 February 2024)
M. Kimber	(Appointed 21 February 2024)

Company number 10510180

Registered office 84 Thomas House
Eccleston Square
London
SW1V 1PX

Auditor RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Molo Tech Limited

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Molo Tech Limited

Directors' Report

For the year ended 31 December 2024

The directors present the annual report and financial statements for Molo Tech Limited (the “Company”) for the year ended 31 December 2024.

Principal activities

The principal activity of the Company continued to be that of mortgage intermediation and lending.

Directors

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

A. M Chepul	
L. Blackwell	
I. Pavlopoulos	
G. L. Olsen	(Resigned 31 July 2024)
N. Batley	(Appointed 21 February 2024)
M. Kimber	(Appointed 21 February 2024)

Results and dividends

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

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP 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 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 auditor of the Company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

Going concern

On 31 July 2024, the Company became a wholly owned subsidiary of ColCap Financial Limited (“ColCap”) in Australia, a highly successful and profitable non-bank lender.

- Cash resources: The Company ended 2024 with bank balances of £493,522. The directors monitor trends and market developments in the mortgage sector closely and are expecting continued opportunities in the market throughout 2025. The Company has comprehensive cash management and forecasting processes in place and the directors continue to monitor and ensure funding facilities are sufficient for expected requirements.
- During 2023, the Company received a £16.4 million strategic investment from ColCap Financial UK Limited (“CFUK”), a wholly owned subsidiary of ColCap, and an arm’s length loan origination agreement to support the Company’s origination of buy-to-let mortgages. CFUK’s investment provides long-term support to facilitate the Company’s growth in the mortgage intermediary market. This relationship was further aligned in 2024 through CFUK’s acquisition of the remaining 20% of the Company’s share capital.

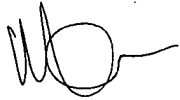
Molo Tech Limited

Directors' Report (Continued)

The statement headed "Going Concern" included in the accounting policies sets out certain factors relevant to the directors' consideration in reaching their assessment on going concern. The financial statements have been prepared on a going concern basis.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board.



M. Kimber

Executive Director and Chief Executive Officer

17 April 2025

Molo Tech Limited

Directors' Responsibilities Statement

For the year ended 31 December 2024

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;
- 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 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.

Molo Tech Limited

Independent Auditor's Report

To the Members of Molo Tech Limited

Opinion

We have audited the financial statements of Molo Tech Limited (the 'company') for the year ended 31 December 2024 which comprise the Statement of Profit and Loss and Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Molo Tech Limited

Independent Auditor's Report (Continued)

To the Members of Molo Tech Limited

We have nothing to report in this regard.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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; or
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 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 company or to cease operations, or have no realistic alternative but to do so.

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 financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Molo Tech Limited

Independent Auditor's Report (Continued)

To the Members of Molo Tech Limited

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud, having obtained an understanding of the overall control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to FCA registration. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; testing the completeness, accuracy and existence of revenue through detailed substantive procedures.

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

Molo Tech Limited

Independent Auditor's Report (Continued)

To the Members of Molo Tech Limited

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.



Neil Griggs (Apr 17, 2025 13:34 GMT+1)

Neil Griggs (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

17-Apr-2025

Molo Tech Limited

Profit and Loss Account and Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 £	2023 £
Turnover	3	3,284,497	1,436,625
Administrative expenses		(7,837,667)	(5,849,286)
Other operating income		<u>(1,308)</u>	<u>(83,358)</u>
Operating loss	4	(4,554,478)	(4,496,019)
Interest receivable and similar income	8	12,611	90,853
Interest payable and similar expenses	9	(313)	(72,032)
Amounts written off investments		<u>(3)</u>	<u>(8,514)</u>
Loss before taxation		(4,542,183)	(4,485,712)
Tax on loss	10	977,789	7,811,863
Profit/(loss) for the financial year		(3,564,394)	3,326,151
Other comprehensive income			
Cash flow hedges loss or its reversal arising in the year		-	-
Total comprehensive income for the year		(3,564,394)	3,326,151

Profit/(loss) and total comprehensive income for the financial year is all attributable to the owners of the Company.

Molo Tech Limited

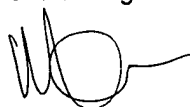
Balance Sheet

As at 31 December 2024

		2024	2023
	Notes	£	£
Fixed assets			
Tangible assets	11	-	1,455
Investments	12	1	4
		<u>1</u>	<u>1,459</u>
Non-Current assets			
Debtors falling due after more than one year	15	9,122,547	7,982,704
Current assets			
Debtors falling due within one year	15	1,447,013	4,662,561
Cash at bank and in hand		493,522	875,253
		<u>1,940,535</u>	<u>5,537,814</u>
Creditors: amounts falling due within one year	16	<u>(636,952)</u>	<u>(376,965)</u>
Net current assets		<u>1,303,583</u>	<u>5,160,849</u>
Total assets less current liabilities		10,426,131	13,145,012
Creditors: amounts falling due after more than one year	17	<u>(9,967)</u>	<u>(14,567)</u>
Net assets/(liabilities)		<u>10,416,164</u>	<u>13,130,445</u>
Capital and reserves			
Called up share capital	21	235,670	235,670
Share premium account		39,029,471	39,029,471
Other reserves		-	449,764
Profit and loss reserves		<u>(28,848,977)</u>	<u>(26,584,460)</u>
Total equity		<u>10,416,164</u>	<u>13,130,445</u>

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

The financial statements were approved by the board of directors and authorised for issue on 17 April 2025 and are signed on its behalf by:



M. Kimber
Executive Director and Chief Executive Officer
Company Registration No. 10510180

Molo Tech Limited

Statement of Changes in Equity

For the year ended 31 December 2024

Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2023	27,010	22,839,237	646,871	(29,910,611)	(6,397,493)
Year ended 31 December 2023:					
Loss and total comprehensive income for the year	-	-	-	3,326,151	3,326,151
Issue of share capital	208,660	16,190,234	-	-	16,398,894
ESOP share reserve	-	-	(197,107)	-	(197,107)
Balance at 31 December 2023	235,670	39,029,471	449,764	(26,584,460)	13,130,445
Year ended 31 December 2024:					
Loss and total comprehensive income for the year	-	-	-	(3,564,394)	(3,564,394)
ESOP share reserve	-	-	850,113	-	850,113
Transfer of ESOP share reserve	-	-	(1,299,877)	1,299,877	-
Balance at 31 December 2024	235,670	39,029,471	-	(28,848,977)	10,416,164

Molo Tech Limited

Statement of Cash Flows

For the year ended 31 December 2024

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	24	(3,641,950)	(2,370,101)
Interest paid		-	(72,032)
Income taxes refunded		-	195,823
Net cash outflow from operating activities		(3,641,950)	(2,246,310)
Investing activities			
Purchase of tangible fixed assets		-	(29)
Repayments of / (advances of) parent company		3,252,000	(4,300,000)
Interest received on bank deposits		12,611	-
Net cash generated from/(used in) investing activities		3,264,611	(4,300,029)
Financing activities			
Proceeds from issue of shares		-	16,398,894
Repayment/(issue) of convertible loans		-	(9,368,894)
Repayment of funding facilities		(4,290)	-
Interest paid		(310)	-
Net cash generated from financing activities		(4,600)	7,030,000
Net (decrease)/increase in cash and cash equivalents		(381,939)	483,661
Cash and cash equivalents at beginning of year		875,253	391,592
Cash and cash equivalents at end of year		493,314	875,253

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

Company information

Molo Tech Limited (the “**Company**”) is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 84 Thomas House, Eccleston Square, London, SW1V 1PX.

The Company is authorised to conduct regulated lending in the United Kingdom by the Financial Conduct Authority (“**FCA**”) (reference number 951899).

1.1 Accounting convention

During the financial year, the company transitioned from preparing consolidated group financial statements to standalone financial statements. This change was made to better reflect the company's current operational structure and financial reporting needs. The standalone financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“**FRS 102**”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. Comparative figures for the previous year have been restated to ensure consistency and comparability.

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. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the financial statements:

- Section 4 ‘Statement of Financial Position’: Reconciliation of the opening and closing number of shares;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 ‘Related Party Disclosures’: Transactions between wholly owned group members.

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Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

(Continued)

1.2 Going concern

The directors have considered the financial position of the Company, as well as the Company's forecast for the 12-month period following the point of signing and concluded that it is appropriate to prepare the financial statements on a going concern basis. In making this determination, management have specifically considered the impacts of the Company's FCA responsibilities, the impacts of higher base interest rates, and the impact on the Company's cash flows over the going concern period, as set out below.

During the period the Company made a loss before taxation of £4,542,183 and at the balance sheet date had net assets of £10,416,164. The United Kingdom is experiencing a period of higher base interest rates, which has contributed to volatility in interest swap rates, borrowing costs and mortgage product pricing. Management took precautionary measures by closely monitoring market rates, and diversifying the range of mortgage products, which has resulted in sustained revenue growth during 2024 (see note 3). The directors have prepared projected cash flow information for a 12-month period from the point of signing. The initial base case forecast was prepared with the following key assumptions:

- The Company continues to grow mortgage origination through offering more diversified products with more diversified funding partners, whilst targeting further intermediary partners to distribute the full range of products available.
- The Company continues to successfully launch more diversified mortgage products including regulated and unregulated mortgage products.
- Overheads reduced following the synergies and efficiencies supported by the wider ColCap Financial Limited group.

CFUK's £16.4 million strategic investment during 2023 provided long-term support to assist with expanding the Company's access to mortgage funding and helping it grow in the mortgage intermediary market.

Based on these considerations and the confirmation received of the support if required from ColCap Financial Overseas Holdings Limited, the ultimate UK parent company, for at least the next 12 months, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.5 Tangible fixed assets

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

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

Computers

3 years straight line

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

(Continued)

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 recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the Company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 at bank and in hand

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.

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

(Continued)

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 and 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.

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.

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.

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

(Continued)

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.

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 Current and deferred tax

The tax expense represents the sum of the tax currently payable and deferred 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 balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and 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.

1.13 Retirement benefits

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

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

(Continued)

1.14 Share-based payments

The Company has adopted a share option scheme which is compliant with HM Revenue & Custom's Enterprise Management Incentives scheme rules. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

The fair value is measured using a Black-Scholes pricing model. The expected life in the model has been adjusted based on management's best estimate of the life of the share options and exercise restrictions.

1.15 Leases

Rental payable under operating leases including any lease incentives received, is charged to expenses 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.

1.16 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other operating income" within profit or loss in the same period as the related expenditure. The Company has not directly benefited from any other forms of government assistance.

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.

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.

Management considers that the accounting estimates relating to the following, are the most material to the financial statements;

- Going Concern (see Directors' report and Going Concern note),
- Share based payments (note 20),
- the recognition of deferred tax assets for carried forward tax losses (note 10),
- the recoverability and impairment assessments on debtors (note 15), and
- the valuation of an interest free loan to parent (note 15).

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Mortgage commissions received	2,260,445	1,034,777
Physical survey fees	630,741	261,228
Software fees	267,710	140,620
Application fees	125,601	-
Other income	-	-
	<u>3,284,497</u>	<u>1,436,625</u>
	2024	2023
	£	£
Other significant revenue		
Interest income	<u>12,611</u>	<u>90,853</u>

All turnover is derived in the United Kingdom.

4 Operating loss

	2024	2023
	£	£
Operating loss for the year is stated after charging/(crediting):		
Share-based payments	850,113	(197,107)
Research and development costs	414,368	455,764
Operating lease charges	165,700	170,438
Exchange losses	11,088	6,880
Depreciation of owned tangible fixed assets	<u>1,455</u>	<u>6,632</u>

Exchange differences were recognised in the profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a £11,088 loss (2023: £6,880 loss).

5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Company	<u>40,000</u>	<u>47,000</u>

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

6 Employees

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

	2024	2023
	Number	Number
Total employees	<u>38</u>	<u>39</u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	3,741,040	2,680,053
Social security costs	359,321	314,127
Pension costs	<u>234,373</u>	<u>221,515</u>
	<u>4,334,734</u>	<u>3,215,695</u>

7 Directors' remuneration

	2024	2023
	£	£
Remuneration paid to directors	<u>374,888</u>	<u>344,490</u>

There were two directors in the Company's defined contribution pension scheme during 2024 (2023: two). The total amount payable to the highest paid director in respect of emoluments was £310,464 (2023: 328,808).

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on loan to related party	-	68,222
Other interest income	<u>12,611</u>	<u>22,631</u>
Total income	<u>12,611</u>	<u>90,853</u>

Interest income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>12,611</u>	<u>90,853</u>
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Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

9 Interest payable and similar expenses

	2024 £	2023 £
Interest on financial liabilities measured at FVTPL:		
Interest on convertible loan notes	-	70,786
Other finance costs:		
Other interest	313	1,246
Total finance costs	<u>313</u>	<u>72,032</u>

10 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	-	-
Adjustments in respect of prior periods	-	170,841
Total current tax	<u>-</u>	<u>170,841</u>
Deferred tax		
Origination of timing differences	<u>(977,789)</u>	<u>(7,982,704)</u>
Total deferred tax	<u>(977,789)</u>	<u>(7,982,704)</u>
Total tax credit included in other comprehensive income	<u>(977,789)</u>	<u>(7,811,863)</u>

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

	2024 £	2023 £
Loss before taxation	(4,542,183)	(4,485,712)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 25.00%</i>	(1,135,546)	(1,121,427)
Disallowable expenses	214,059	-
Timing differences on exercise of employee share options	(58,486)	-
Prior year adjustment	2,183	170,841
Re-measurement of deferred tax*	-	(6,861,277)
Taxation credit	<u>(977,789)</u>	<u>(7,811,863)</u>

*In 2023 the carried forward tax losses had been recognised as a Deferred Tax Asset with effect from the date CFUK acquired its 80% shareholding in the Company.

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

11 Tangible fixed assets

Company	Plant and machinery
	£
Cost	
At 1 January 2024	81,839
Additions	-
At 31 December 2024	<u>81,839</u>
Depreciation and impairment	
At 1 January 2024	80,384
Depreciation charged in the year	<u>1,455</u>
At 31 December 2024	<u>81,839</u>
Carrying amount	
At 31 December 2024	<u>-</u>
At 31 December 2023	<u>1,455</u>

12 Fixed asset investments

	2024 £	2023 £
Investments	<u>1</u>	<u>4</u>
Movements in fixed asset investments		
Company		Shares in Subsidiary undertakings £
Cost or valuation		
At 1 January 2024 and 31 December 2024		<u>1</u>
Carrying amount		
At 31 December 2024		<u>1</u>
At 31 December 2023		<u>4</u>

13 Subsidiaries

Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Molo Holdings No. 2 Limited	84 Eccleston Square, London, SW1V 1PX	Dormant	Ordinary	100	-

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

14 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,821,054	5,266,329
Instruments measured at fair value through profit or loss	-	-
	<u>1,821,054</u>	<u>5,266,329</u>
Carrying amount of financial liabilities		
Measured at amortised cost	177,994	168,341
	<u>177,994</u>	<u>168,341</u>

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Amounts due from related parties	1,298,460	4,378,115
Prepayments and accrued income	68,801	98,597
Other debtors	51,174	172,889
Trade debtors	29,072	13,454
Provision for doubtful debts	(494)	(494)
	<u>1,447,013</u>	<u>4,662,561</u>
Amounts falling due after more than one year:		
Deferred tax asset	8,960,493	7,982,704
Prepayments more than 12 months in advance	162,054	-
	<u>9,122,547</u>	<u>7,982,704</u>
Total debtors	<u>10,569,560</u>	<u>12,645,265</u>

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	164,738	153,774
Other creditors	327,400	126,844
Other taxation and social security	141,317	96,347
Amounts due to related parties	3,289	-
Bank overdraft	208	-
	<u>636,952</u>	<u>376,965</u>

17 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Bank loans and overdrafts	<u>9,967</u>	<u>14,567</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	9,967	14,567
Payable other than by instalments	-	-
	<u>9,967</u>	<u>14,567</u>

18 Loans and overdrafts

	2024	2023
	£	£
Bank loans	<u>9,967</u>	<u>14,567</u>
	<u>9,967</u>	<u>14,567</u>
Payable within one year	-	-
Payable after one year	<u>9,967</u>	<u>14,567</u>

19 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>234,373</u>	<u>221,515</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

20 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2024 Number	2023 Number	2024 £	2023 £
Outstanding at beginning of year	109,375	144,200	0.01	0.01
Granted	205,987	29,800	0.01	0.01
Forfeited	(15,437)	(64,625)	0.01	0.01
Exercised	(299,925)	-	0.01	0.01
Outstanding at end of year	-	109,375	0.00	0.01
Exercisable at end of year	-	59,000	0.00	0.01

There were no share options outstanding at 31 December 2024, due to all remaining share options being exercised by employees during 2024. The employee share option scheme was closed during 2024.

There were no share options outstanding at 31 December 2024, and as such a valuation of the equity-settled share based payment awards was not required.

In the 2023 comparatives the Black-Scholes option pricing model was used to value equity-settled share based payment awards. This valuation model was used as there was a lack of market trading and it was considered that this approach would result in materially accurate estimate of the fair value of options granted. The following information was used in this valuation for the options outstanding at 31 December 2023:

- all shares had an exercise price of £0.01;
- the weighted average remaining contractual life of 1.0 years;
- expected volatility was based on observable data in respect to peers in the market;
- staff retention rates are based on historical Human Resources records; and
- share price value is referenced to the latest fund raise.

	2024 £	2023 £
Expenses / (credits) recognised in the year		
Arising from equity settled share based payment transactions	850,113	(197,107)

21 Share capital

	2024 £	2023 £
Ordinary share capital Issued and fully paid		
23,567,005 Ordinary shares of 1p each	235,670	235,670
Share premium	39,029,471	39,029,471

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

22 Operating lease commitments

Lessee

The Company had minimum lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£	£
Not later than one year	143,903	156,990
Later than one year	-	1,884
Total	<u>143,903</u>	<u>158,874</u>

23 Controlling party

The Company is a wholly owned subsidiary of CFUK, a company registered in England and Wales. During the year CFUK acquired the remaining 20% of the shares in the Company from the other shareholders.

ColCap, a company registered in Australia with its registered office at Level 12, 77 Castlereagh Street, Sydney NSW 2000, is the ultimate controlling parent as no other entity has a controlling ownership of ColCap. ColCap prepares group financial statements and is the largest group that consolidates the Company.

Colcap Financial Overseas Holdings Limited (“CFOHL”), a company registered in England and Wales with a registered office at 151 Wardour Street, London, England, W1F 8WE, is an indirect parent of the Company. CFOHL prepares group financial statements, and these accounts are the smallest group that includes the Company.

24 Cash absorbed by operations

	2024	2023
	£	£
(Loss)/profit for the year after tax	(3,564,394)	3,326,151
Adjustments for:		
Taxation credited	(977,789)	(7,811,863)
Finance costs	313	72,032
Interest received	(12,611)	-
Investment income	-	(90,853)
Depreciation and impairment of tangible fixed assets (note 11)	1,455	6,661
Equity settled share-based payment expense	850,113	(197,107)
Movements in working capital:		
(Increase)/decrease in debtors	(198,506)	3,012,396
Increase/(decrease) in creditors	259,469	(687,518)
Cash absorbed by operations	<u>(3,641,950)</u>	<u>(2,370,101)</u>

Molo Tech Limited

Notes to the Financial Statements

For the year ended 31 December 2024

25 Analysis of changes in net funds/(debt)

	1 January 2024 £	Cash flows £	Accrued interest £	31 December 2024 £
Cash at bank and in hand	875,253	(381,732)	-	493,521
Borrowings	(14,567)	4,600	-	(9,967)
	<u>860,686</u>	<u>(377,132)</u>	<u>-</u>	<u>483,554</u>

26 Related party transactions

Key management personnel include all directors and a number of senior managers across the Company who together have authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management for services provided to the Company was £1,102,224 (2023: £1,118,275).