

Registered number: 06269999

**CODILINK UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**CODILINK UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	B H S Chesser M J Hough (appointed 29 April 2022) D A Mulinder (appointed 1 August 2022) H Vaux
<b>Registered number</b>	06269999
<b>Registered office</b>	Reading Bridge House George Street Reading RG1 8LS
<b>Independent auditors</b>	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor Reading Bridge House George Street RG1 8LS

**CODILINK UK LIMITED**

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## **CODILINK UK LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Principal Activity**

The principal activity of the company is to provide a customer engagement and loyalty platform to shopping malls and other retail destinations. The service enables these clients to drive footfall, create personalised shopping experiences and boost in-store sales.

#### **Business review**

In 2022, the business is pleased to report another year of significant progress. Despite some unfavourable macro-economic conditions and against the backdrop of Covid-19, the business demonstrated its resilience and the opportunity to deliver sustainable growth. This was evidenced by retention of all clients save one and successful sales execution in the US, where the team secured two major shopping mall partners, both of whom adopted a new, consumer subscription loyalty offering powered by Codilink UK's technology. The company also continued to innovate and develop new products, most notably its insights hub and receipt scanning capability. The company has continued to invest in sales and marketing, product development and its technological capability to advance its strategic goals.

Group revenue for the year, which is reported through the UK entity, increased by 8% vs 2021, primarily driven by new client accounts that came onboard in the US and Middle Eastern markets. Gross Profit also improved by 8% year-on-year and the gross profit margin remained at 91%, representative of a healthy B2B SaaS business. Administrative expenses were slightly lower than 2021 (-1%), all of which positive variances led to a 17% improvement to the Company's operating profit (loss) vs the previous financial year.


During 2022 the company secured investment from a strategic partner, in an equity and warrants deal worth \$6,000,000. These funds were raised to support working capital requirements, including product development and further expansion in the US market.

The net asset position of the Company has improved to £9.654m (£9.426m in 2021). There has been a focus on improving profitability and long term sustainability.

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**CODILINK UK LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**CODILINK UK LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Financial key performance indicators**

The key financial KPIs that the business uses to measure performance are:

- Revenue, more specifically Monthly Recurring Revenue
- Gross Profit
- Operating Profit / Loss Before Interest, Tax, Depreciation and Amortisation
- Cash position and burn rate
- the Net Asset / Liability position and Day Sales Outstanding

The Company reviews these KPIs on a consistent basis and they are available from the Financial Statements.

**Other key performance indicators**

Non financial performance indicators are:

- Product KPIs on levels of Customer Engagement
- HR KPIs including staff retention, time-to-hire, employee engagement, learning and development
- Sales and Marketing KPIs including pipeline analysis and lead generation
- Customer Service KPIs including Response and Resolution times

The Company measures these non-financial KPIs consistently and reports its analysis in its monthly Management Accounts pack. The analysis of this performance is not disclosed due to its commercially sensitive nature.

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

.....  
**B H S Chesser**

Director

Date: 13 September 2023

**CODILINK UK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

**Directors**

The directors who served during the year were:

B H S Chesser  
M J Hough (appointed 29 April 2022)  
D A Mulinder (appointed 1 August 2022)  
H Vaux

**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 judgments 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 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 loss for the year, after taxation, amounted to £1,515,026 (2021 - loss £1,797,310).

**Future developments**

See strategic report above for future developments.

**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

**CODILINK UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....  
**B H S Chesser**  
Director  
Date: 13 September 2023

**CODILINK UK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CODILINK UK LIMITED**

**Opinion**

We have audited the financial statements of Codilink UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2022 and of the Group's loss 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CODILINK UK LIMITED (CONTINUED)

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

**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 5, 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.

CODILINK UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CODILINK UK LIMITED (CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

*The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.*

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- |  |                               |
|--|-------------------------------|
| <i>Enquiry of management and those charged with governance around actual and potential</i>   | <i>litigation and claims;</i> |
| · Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;  |                               |
| · Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;   |                               |
| · Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias. |                               |

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of  
**James Cowper Kreston Audit**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
RG1 8LS

13 September 2023

**CODILINK UK LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	4,593,572	4,268,098
Cost of sales		(397,453)	(397,525)
<b>Gross profit</b>		<b>4,196,119</b>	<b>3,870,573</b>
Administrative expenses		(5,918,279)	(5,984,467)
Other operating income	5	-	27,414
<b>Operating loss</b>	6	<b>(1,722,160)</b>	<b>(2,086,480)</b>
Interest payable and similar expenses	10	(1,741)	(2,314)
<b>Loss before taxation</b>		<b>(1,723,901)</b>	<b>(2,088,794)</b>
Tax on loss	11	172,301	291,484
<b>Loss for the financial year</b>		<b>(1,551,600)</b>	<b>(1,797,310)</b>
Foreign Exchange		36,574	-
<b>Total comprehensive loss for the year</b>		<b>(1,515,026)</b>	<b>(1,797,310)</b>
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		(1,551,600)	(1,797,310)
		<b>(1,551,600)</b>	<b>(1,797,310)</b>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the parent Company		(1,515,026)	(1,797,310)
		<b>(1,515,026)</b>	<b>(1,797,310)</b>

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**  
**REGISTERED NUMBER: 06269999**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	6,732,536	6,443,562
Tangible assets	14	833,321	280,505
		<u>7,565,857</u>	<u>6,724,067</u>
<b>Current assets</b>			
Debtors	16	1,999,467	2,232,254
Cash at bank and in hand	17	2,224,982	2,220,456
		<u>4,224,449</u>	<u>4,452,710</u>
Creditors: amounts falling due within one year	18	(1,775,447)	(1,618,525)
<b>Net current assets</b>		<u>2,449,002</u>	<u>2,834,185</u>
<b>Total assets less current liabilities</b>		<u>10,014,859</u>	<u>9,558,252</u>
Creditors: amounts falling due after more than one year	19	(361,031)	(132,639)
<b>Net assets</b>		<u>9,653,828</u>	<u>9,425,613</u>
<b>Capital and reserves</b>			
Called up share capital	23	1,230	1,180
Share premium account	24	18,126,421	16,383,230
Foreign exchange reserve	24	36,574	-
Profit and loss account	24	(8,510,397)	(6,958,797)
		<u>9,653,828</u>	<u>9,425,613</u>

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

.....  
**B H S Chesser**  
 Director  
 Date: 13 September 2023

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**  
**REGISTERED NUMBER: 06269999**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	6,673,015	6,391,228
Tangible assets	14	831,981	277,197
Investments	15	217,737	217,737
		<u>7,722,733</u>	<u>6,886,162</u>
<b>Current assets</b>			
Debtors	16	1,979,150	2,222,932
Cash at bank and in hand	17	2,098,122	2,154,313
		<u>4,077,272</u>	<u>4,377,245</u>
Creditors: amounts falling due within one year	18	(1,702,943)	(1,573,069)
<b>Net current assets</b>		<u>2,374,329</u>	<u>2,804,176</u>
<b>Total assets less current liabilities</b>		<u>10,097,062</u>	<u>9,690,338</u>
Creditors: amounts falling due after more than one year	19	(287,316)	(58,952)
<b>Net assets</b>		<u>9,809,746</u>	<u>9,631,386</u>
<b>Capital and reserves</b>			
Called up share capital	23	1,230	1,180
Share premium account	24	18,126,421	16,383,230
Profit and loss account	24	(8,317,905)	(6,753,024)
		<u>9,809,746</u>	<u>9,631,386</u>

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

.....  
**B H S Chesser**  
Director

Date: 13 September 2023

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2022	1,180	16,383,230	-	(6,958,797)	9,425,613
Loss for the year	-	-	-	(1,551,600)	(1,551,600)
Foreign exchange	-	-	36,574	-	36,574
Shares issued during the year	50	1,743,191	-	-	1,743,241
<b>At 31 December 2022</b>	<b>1,230</b>	<b>18,126,421</b>	<b>36,574</b>	<b>(8,510,397)</b>	<b>9,653,828</b>

The notes on pages 17 to 35 form part of these financial statements.

**CONSOLIDATED 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	1,180	16,381,730	(5,161,487)	11,221,423
Loss for the year	-	-	(1,797,310)	(1,797,310)
Shares issued during the year	-	1,500	-	1,500
<b>At 31 December 2021</b>	<b>1,180</b>	<b>16,383,230</b>	<b>(6,958,797)</b>	<b>9,425,613</b>

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	1,180	16,383,230	(6,753,024)	9,631,386
Loss for the year	-	-	(1,564,881)	(1,564,881)
Shares issued during the year	50	1,743,191	-	1,743,241
<b>At 31 December 2022</b>	<b><u>1,230</u></b>	<b><u>18,126,421</u></b>	<b><u>(8,317,905)</u></b>	<b><u>9,809,746</u></b>

The notes on pages 17 to 35 form part of these financial statements.

**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	1,180	16,381,730	(5,042,034)	11,340,876
Loss for the year	-	-	(1,710,990)	(1,710,990)
Shares issued during the year	-	1,500	-	1,500
<b>At 31 December 2021</b>	<b><u>1,180</u></b>	<b><u>16,383,230</u></b>	<b><u>(6,753,024)</u></b>	<b><u>9,631,386</u></b>

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(1,551,600)	(1,797,310)
<b>Adjustments for:</b>		
Depreciation and amortisation of tangible and intangible assets	1,020,050	979,570
Interest paid	1,741	2,314
Taxation charge	(172,301)	(291,484)
Decrease/(increase) in debtors	590,846	(96,596)
Increase/(decrease) in creditors	21,509	(143,626)
Increase in provisions	5,936	29,128
Corporation tax received	17,620	176,380
Foreign exchange	(274,417)	19,483
<b>Net cash generated from operating activities</b>	<u>(340,616)</u>	<u>(1,122,141)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible and intangible fixed assets	(1,876,214)	(1,482,433)
<b>Net cash from investing activities</b>	<u>(1,876,214)</u>	<u>(1,482,433)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	1,743,221	-
Repayment of new finance leases	479,876	100,701
Interest paid	(1,741)	(2,314)
<b>Net cash used in financing activities</b>	<u>2,221,356</u>	<u>98,387</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>4,526</u>	<u>(2,506,187)</u>
Cash and cash equivalents at beginning of year	2,220,456	4,726,643
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,224,982</u></u>	<u><u>2,220,456</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,224,982	2,220,456
	<u><u>2,224,982</u></u>	<u><u>2,220,456</u></u>

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>At 1 January 2022</b>	<b>Cash flows</b>	<b>At 31 December</b>
	<b>£</b>	<b>£</b>	<b>2022</b>
			<b>£</b>
Cash at bank and in hand	2,220,456	4,526	2,224,982
Finance leases	(100,703)	(479,876)	(580,579)
	<u>2,119,753</u>	<u>(475,350)</u>	<u>1,644,403</u>

The notes on pages 17 to 35 form part of these financial statements.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. General information**

Codilink (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Reading Bridge House, George Street, Reading, RG1 8LS. The company's principal place of business is 15 Long Lane, London, England EC1A 9PN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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 judgment 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 Statement of Comprehensive Income 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 directors are satisfied that the business has adequate resources to continue operations for the foreseeable future. Based on a review of the forecasts and plans the directors believe that the financial statements have been appropriately prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.4 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.

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.

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Where revenue consists of a long term contract, typically of one year or more the revenue is deferred over the life of the contract and classified as deferred income. The deferred revenue is released over the expected life of the contract.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, being 15 years. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.8 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Pensions**

**Defined contribution pension plan**

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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**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.

**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.

CODILINK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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:

Fixtures and fittings	-	20%	on cost
Office equipment	-	20%	on cost
Famoco scanners	-	33%	on cost
Other fixed assets	-	50%	on cost

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 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.18 Financial instruments (continued)**

equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**Intangible fixed assets**

Development costs relating to the development of a technological system are capitalised as intangible fixed assets and amortised over their useful economic life.

**Taxation**

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**Revenue recognition**

Where revenue consists of a long term contract, typically of one year or more the revenue is deferred over the life of the contract and classified as deferred income. The deferred revenue is released over the expected life of the contract.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sales	4,593,572	4,268,098
	<u>4,593,572</u>	<u>4,268,098</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	4,593,572	4,268,098
	<u>4,593,572</u>	<u>4,268,098</u>

**5. Other operating income**

	2022 £	2021 £
Government grants receivable	-	27,414
	<u>-</u>	<u>27,414</u>

**6. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation	346,077	141,072
Exchange differences	(294,603)	40,029
Other operating lease rentals	392,481	335,787
Amortisation	<u>688,347</u>	<u>838,498</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. Auditors' remuneration**

During the year, the Group obtained the following services from the Company's auditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	<b>16,500</b>	11,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

**8. Employees**

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,361,312</b>	2,251,950	<b>1,516,283</b>	1,559,290
Social security costs	<b>365,648</b>	350,767	<b>313,878</b>	311,436
Cost of defined contribution scheme	<b>39,942</b>	43,865	<b>39,942</b>	43,865
	<b><u>2,766,902</u></b>	<b><u>2,646,582</u></b>	<b><u>1,870,103</u></b>	<b><u>1,914,591</u></b>

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Employees	<b><u>61</u></b>	<b><u>69</u></b>	<b><u>61</u></b>	<b><u>69</u></b>

**9. Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>11,910</b>	14,546
Group contributions to defined contribution pension schemes	<b>109</b>	109
	<b><u>12,019</u></b>	<b><u>14,655</u></b>

During the year retirement benefits were accruing to no directors (2021 - NIL) in respect of defined contribution pension schemes.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. Interest payable and similar expenses**

	<b>2022 £</b>	<b>2021 £</b>
Bank interest payable	<b>1,741</b>	2,314
	<u><b>1,741</b></u>	<u>2,314</u>

**11. Taxation**

	<b>2022 £</b>	<b>2021 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(352,124)</b>	(360,268)
Adjustments in respect of previous periods	<b>179,823</b>	68,784
<b>Total current tax</b>	<u><b>(172,301)</b></u>	<u>(291,484)</u>
<b>Taxation on loss on ordinary activities</b>	<u><b>(172,301)</b></u>	<u>(291,484)</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(1,723,901)</u>	<u>(2,088,794)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(327,541)	(381,308)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,537	232
Fixed asset differences	14,822	31,787
Additional deduction for R&D expenditure	(260,794)	(270,091)
Surrender of tax losses for R&D tax credit refund	109,280	113,175
Remeasurement of deferred tax	(36,128)	(52,695)
Deferred tax not recognised	150,535	194,222
Adjustments in respect of prior periods	179,823	68,784
Other differences leading to an increase (decrease) in the tax charge	(3,835)	4,410
<b>Total tax charge for the year</b>	<u><b>(172,301)</b></u>	<u><b>(291,484)</b></u>

**Factors that may affect future tax charges**

The main rate of corporation tax has risen from 19% to 25% from 1 April 2023. On this basis deferred tax is provided at the future rate of 25%.

**12. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £1,564,881 (2021 - loss £1,710,989).

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Intangible assets**  
**Group**

	<b>Development expenditure £</b>
<b>Cost</b>	
At 1 January 2022	10,220,507
Additions	977,321
At 31 December 2022	<u>11,197,828</u>
<b>Amortisation</b>	
At 1 January 2022	3,776,945
Charge for the year	688,347
At 31 December 2022	<u>4,465,292</u>
<b>Net book value</b>	
At 31 December 2022	<u>6,732,536</u>
At 31 December 2021	<u>6,443,562</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Intangible assets (continued)**

**Company**

	<b>Development expenditure</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	9,823,334
Additions	955,760
At 31 December 2022	<u>10,779,094</u>
<b>Amortisation</b>	
At 1 January 2022	3,432,106
Charge for the year	673,973
At 31 December 2022	<u>4,106,079</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>6,673,015</u></u>
At 31 December 2021	<u><u>6,391,228</u></u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. Tangible fixed assets**  
**Group**

	Fixtures and fittings £	Office equipment £	Famoco Scanners £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	56,494	157,182	-	1,510,993	1,724,669
Additions	6,160	-	892,733	-	898,893
At 31 December 2022	<u>62,654</u>	<u>157,182</u>	<u>892,733</u>	<u>1,510,993</u>	<u>2,623,562</u>
<b>Depreciation</b>					
At 1 January 2022	45,255	113,314	-	1,285,595	1,444,164
Charge for the year	7,882	17,630	216,234	104,331	346,077
At 31 December 2022	<u>53,137</u>	<u>130,944</u>	<u>216,234</u>	<u>1,389,926</u>	<u>1,790,241</u>
<b>Net book value</b>					
At 31 December 2022	<u>9,517</u>	<u>26,238</u>	<u>676,499</u>	<u>121,067</u>	<u>833,321</u>
At 31 December 2021	<u>11,239</u>	<u>43,868</u>	<u>-</u>	<u>225,398</u>	<u>280,505</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. Tangible fixed assets (continued)**

**Company**

	Fixtures and fittings	Office equipment	Famoco Scanners	Other fixed assets	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	55,599	149,000	-	1,510,993	1,715,592
Additions	6,160	-	892,733	-	898,893
At 31 December 2022	<u>61,759</u>	<u>149,000</u>	<u>892,733</u>	<u>1,510,993</u>	<u>2,614,485</u>
<b>Depreciation</b>					
At 1 January 2022	44,718	108,082	-	1,285,595	1,438,395
Charge for the year	7,882	15,662	216,234	104,331	344,109
At 31 December 2022	<u>52,600</u>	<u>123,744</u>	<u>216,234</u>	<u>1,389,926</u>	<u>1,782,504</u>
<b>Net book value</b>					
At 31 December 2022	<u>9,159</u>	<u>25,256</u>	<u>676,499</u>	<u>121,067</u>	<u>831,981</u>
At 31 December 2021	<u>10,881</u>	<u>40,918</u>	<u>-</u>	<u>225,398</u>	<u>277,197</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Fixed asset investments**

**Company**

**Investments in  
subsidiary  
companies  
£**

**Cost or valuation**

At 1 January 2022

**217,737**

At 31 December 2022

**217,737**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Codilink S.L	Avenida Diagonal, 534 - ENT IZ, Barcelona, 08006	Ordinary	100%
Coniq Inc	1209 N Orange St, Wilmington, Delaware, USA, 19801-1120	Ordinary	100%
Codilink FZE	Hot Desk, SRT-FLR-05.01-HD#13, Sheikh Rashid Tower, Dubai World Trade Centre, Dubai, United Arab Emirates	Ordinary	100%
Codilink Doel Skopje	8mi Septemvri Blvd, 16 Hyperium Business Centre, 2nd Floor, Skopje, 1000, Republic of N.Macedonia	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Codilink S.L	78,421	31,826
Coniq Inc	54,189	27,890
Codilink FZE	51,019	(65,368)
Codilink Doel Skopje	(56,349)	(1,251)

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade debtors	574,051	1,074,111	574,051	1,074,111
Amounts owed by group undertakings	-	-	134,162	114,481
Other debtors	203,984	146,183	181,584	135,899
Prepayments and accrued income	389,338	537,926	372,551	533,763
Tax recoverable	716,802	364,678	716,802	364,678
Deferred taxation	115,292	109,356	-	-
	<u>1,999,467</u>	<u>2,232,254</u>	<u>1,979,150</u>	<u>2,222,932</u>

**17. Cash and cash equivalents**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Cash at bank and in hand	2,224,982	2,220,456	2,098,122	2,154,313
	<u>2,224,982</u>	<u>2,220,456</u>	<u>2,098,122</u>	<u>2,154,313</u>

**18. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade creditors	431,472	348,712	431,474	398,356
Other taxation and social security	268,419	193,406	216,039	181,551
Obligations under finance lease and hire purchase contracts	494,591	59,952	494,325	59,819
Other creditors	129,650	86,051	122,657	71,461
Accruals and deferred income	451,315	930,404	438,448	861,882
	<u>1,775,447</u>	<u>1,618,525</u>	<u>1,702,943</u>	<u>1,573,069</u>

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Net obligations under finance leases and hire purchase contracts	85,988	40,751	85,988	40,751
Other creditors	62,918	68,334	4,702	3,328
Accruals and deferred income	212,125	23,554	196,626	14,873
	<u>361,031</u>	<u>132,639</u>	<u>287,316</u>	<u>58,952</u>

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Within one year	494,591	59,952	494,325	59,819
Between 1-5 years	85,988	40,751	85,988	40,751
	<u>580,579</u>	<u>100,703</u>	<u>580,313</u>	<u>100,570</u>

**21. Financial instruments**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Financial assets</b>				
Financial assets measured at amortised cost	<u>778,035</u>	<u>1,220,294</u>	<u>755,635</u>	<u>1,210,010</u>
<b>Financial Liabilities</b>				
Financial liabilities measured at amortised cost	<u>1,403,550</u>	<u>1,457,055</u>	<u>1,309,977</u>	<u>1,349,900</u>

Financial assets measured at amortised cost comprise of trade debtors and other debtors

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**22. Deferred taxation**

**Group**

	<b>2022 £</b>	
At beginning of year	<b>109,356</b>	
Charged to profit or loss	<b>5,936</b>	
<b>At end of year</b>	<b><u>115,292</u></b>	
	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Accelerated capital allowances	<b>115,292</b>	109,356
	<b><u>115,292</u></b>	<b><u>109,356</u></b>

**23. Share capital**

	<b>2022 £</b>	<b>2021 £</b>
<b>Allotted, called up and fully paid</b>		
11,200 (2021 - 11,200) A preference shares of £0.01 each	<b>112</b>	112
5,400 (2021 - 5,400) B preference shares of £0.01 each	<b>54</b>	54
13,800 (2021 - 13,800) D preference shares of £0.01 each	<b>138</b>	138
8,900 (2021 - 8,900) E preference shares of £0.01 each	<b>89</b>	89
8,800 (2021 - 8,800) F preference shares of £0.01 each	<b>88</b>	88
53,600 (2021 - 48,600) Ordinary shares of £0.01 each	<b>536</b>	486
21,300 (2021 - 21,300) B Ordinary shares of £0.01 each	<b>213</b>	213
	<b><u>1,230</u></b>	<b><u>1,180</u></b>

In October 2022, 5,065 ordinary shares with a nominal value of £0.001 were issued for a total consideration of £1,743,221.

**CODILINK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**24. Reserves**

**Share premium account**

The share premium account is the accumulated amount paid over the nominal value of shares issued up to the date of the balance sheet.

**Foreign exchange reserve**

Foreign exchange reserve is the accumulated foreign exchange differences on consolidation on conversion to presentational currency up to the date of the balance sheet.

**Profit and loss account**

The profit & loss account is a Company's accumulated profit/loss up to the date of the balance sheet.

**25. 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 administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £39,942 (2021: £43,756). Contributions totalling £9,526 (2021: £3,788) were payable to the fund at the balance sheet date and are included in creditors.

**26. Commitments under operating leases**

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Not later than 1 year	594,221	264,831	594,221	264,831
Later than 1 year and not later than 5 years	85,988	146,100	85,988	146,100
	<u><b>680,209</b></u>	<u><b>410,931</b></u>	<u><b>680,209</b></u>	<u><b>410,931</b></u>

**27. Related party transactions**

Included within creditors falling due after more than one year is £nil (2021: £149,000) owed to Samos Investments Jersey LP, a shareholder, relating to board fees. In addition, included within creditors falling due after more than one year is £nil (2021: £49,000) owed to Venrex Investment Management LLP, a shareholder, relating to board fees.

**28. Post balance sheet events**

On 15th June 2023, the second tranche of investment was received from Avondale investment LLC for £1,337,530.