

Company Registration No. 07370553 (England and Wales)

FVRVS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PAGES FOR FILING WITH REGISTRAR

FVRVS LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

FVRVS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Fixed assets			
Intangible assets	3	45,046	53,243
Tangible assets	4	302,366	257,128
		<u>347,412</u>	<u>310,371</u>
Current assets			
Stocks		23,050	6,508
Debtors	5	2,085,346	1,762,141
Cash at bank and in hand		431,518	938,771
		<u>2,539,914</u>	<u>2,707,420</u>
Creditors: amounts falling due within one year	6	(1,785,963)	(1,666,485)
Net current assets		<u>753,951</u>	<u>1,040,935</u>
Total assets less current liabilities		<u>1,101,363</u>	<u>1,351,306</u>
Creditors: amounts falling due after more than one year	7	(1,194,167)	(43,689)
Provisions for liabilities		<u>(45,971)</u>	<u>(33,288)</u>
Net (liabilities)/assets		<u><u>(138,775)</u></u>	<u><u>1,274,329</u></u>
Capital and reserves			
Called up share capital	9	3,988	3,988
Share premium account		7,273,857	7,273,857
Other reserves	10	250,586	-
Profit and loss reserves		(7,667,206)	(6,003,516)
Total equity		<u><u>(138,775)</u></u>	<u><u>1,274,329</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

FVRVS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 20 September 2022 and are signed on its behalf by:

R A Vincent

Director

Company Registration No. 07370553

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

FVRVS Limited is a private company limited by shares incorporated in England and Wales. The registered office is 60 Grays Inn Road, London, WC1X 8AQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors believe that notwithstanding current year losses, the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding will be adequate to meet the company's needs for a period of at least 12 months from the date of approval of these financial statements.

1.3 Turnover

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

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

1.4 Research and development expenditure

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

1.5 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and 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.

Patents & licences	5% Straight Line
Development costs	33.33% Straight Line

1.6 Tangible fixed assets

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

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

Leasehold improvements	20% straight line
Furniture and fittings	20% straight line
Computer equipment	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

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

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis and include direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits held with banks repayable without penalty on notice of not more than 24 hours. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans with related parties and investments in non-puttable ordinary shares.

1.11 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.12 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.

1.13 Taxation

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

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 Leases

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

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 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 Employees

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

	2021	2020
	Number	Number
Total	53	46
	==	==

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2021 and 31 December 2021	80,540
Amortisation and impairment	
At 1 January 2021	27,297
Amortisation charged for the year	8,197
At 31 December 2021	35,494
Carrying amount	
At 31 December 2021	45,046
At 31 December 2020	53,243

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2021	103,067	473,414	576,481
Additions	-	196,281	196,281
Disposals	-	(16,543)	(16,543)
At 31 December 2021	103,067	653,152	756,219
Depreciation and impairment			
At 1 January 2021	21,137	298,216	319,353
Depreciation charged in the year	20,306	114,194	134,500
At 31 December 2021	41,443	412,410	453,853
Carrying amount			
At 31 December 2021	61,624	240,742	302,366
At 31 December 2020	81,930	175,198	257,128

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	889,841	859,399
Corporation tax recoverable	601,719	520,286
Other debtors	593,786	382,456
	<u>2,085,346</u>	<u>1,762,141</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	10,000	6,311
Trade creditors	316,147	277,819
Taxation and social security	398,421	253,141
Other creditors	1,061,395	1,129,214
	<u>1,785,963</u>	<u>1,666,485</u>

7 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	34,167	43,689
Convertible loans	1,160,000	-
	<u>1,194,167</u>	<u>43,689</u>

Notes

8

FVRVS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Convertible loan notes

	2021	2020
	£	£
Liability component of convertible loan notes	1,160,000	-

The convertible loan notes totalling £1,160,000 were issued on 16 August 2021. Interest is payable at a rate of 10% per annum and is paid in arrears on each anniversary of the date of issue or, if earlier on the date on which the notes are redeemed. The notes together with accrued interest are convertible into ordinary shares of the company under the following circumstances:

- (i) in the event of a successful fundraising in which the company issues at least £5,000,000 of new shares in addition to the conversion of loan notes or amounts already received under advance subscription agreements; or
- (ii) in the event of an Asset Sale or Share Sale (as defined in the Articles) or a listing on any exchange or market; or
- (iii) automatically after 6 months from the date of issue unless the Noteholder objects to the conversion.

The conversion price in the event of (i) and (ii) above will be at a 20% discount to the price paid by non loan note holders. The conversion price in the event of (iii) above will be at £2.856 per share or such other amount as equates to a 20% discount on a valuation of the company at £21,000,000.

In the event that no conversion takes place, the loan notes will be redeemed on or before 16 August 2026.

FVRVS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****9 Called up share capital**

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
1,593,465 Ordinary shares of £0.001 each	1,594	1,594
2,394,253 Ordinary A shares of £0.001 each	2,394	2,394
	<u>3,988</u>	<u>3,988</u>

As at 31 December 2021 the company had granted options over 656,765 Ordinary shares as follows:

183,367 options with an exercise price of £0.01
113,655 options with an exercise price of £0.23
66,299 options with an exercise price of £0.30
77,415 options with an exercise price of £0.40
216,029 options with an exercise price of £0.51

As at 31 December 2021, 419,052 options had vested and the remaining options are expected to be vested as follows:

129,296 by 31 December 2022
55,510 by 31 December 2023
30,407 by 31 December 2024
22,500 by 31 December 2025

10 Other reserves

In August 2021, the company raised £255,954 of equity funding in exchange for advanced subscription agreements. Amounts received under these agreements will be applied to the issue of future ordinary shares.

11 Operating lease commitments**Lessee**

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

2021	2020
£	£
<u>1,141,401</u>	<u>231,000</u>

12 Events after the reporting date

After the end of the year, the company successfully raised additional equity funding totalling £13,281,359 via subscriptions for new shares.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.