

**COMPANY REGISTRATION NUMBER: 07993440**

**UMOTIF LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

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**UMOTIF LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 2022**

	Note	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	5		76,260		92,753
Investments	6		73		73
			<u>76,333</u>		<u>92,826</u>
<b>Current assets</b>					
Debtors	7	2,330,553		2,428,647	
Cash at bank and in hand		2,122,624		1,483,763	
		<u>4,453,177</u>		<u>3,912,410</u>	
<b>Creditors: amounts falling due within one year</b>	8	(11,980,181)		(1,844,445)	
<b>Net current (liabilities)/assets</b>			(7,527,004)		2,067,965
<b>Total assets less current liabilities</b>			(7,450,671)		2,160,791
<b>Net (liabilities)/assets</b>			<u>(7,450,671)</u>		<u>2,160,791</u>
<b>Capital and reserves</b>					
Called up share capital	9		25		25
Share premium account			14,051,624		14,051,620
Profit and loss account			(21,502,320)		(11,890,854)
<b>Shareholders (deficit)/funds</b>			<u>(7,450,671)</u>		<u>2,160,791</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

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

These financial statements were approved by the board of directors and authorised for issue on 21/02/2023 and are signed on behalf of the board by:



**B E Hellman**  
**Director**

Company registration number: 07993440

The notes on pages 2 to 7 form part of these financial statements.



**UMOTIF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 12 New Fetter Lane, London, EC4A 1JP, United Kingdom.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Going concern**

The directors believe that notwithstanding current year losses of £9,639,617, which are a direct result of the decision to further enhance product development and delivery capability, the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support from the shareholders and existing debt providers 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. The company had net current liabilities of £7,450,671 as at the balance sheet date. The directors are actively engaged in securing further funding and are confident that it will be received.

**Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

**Revenue recognition**

Revenue is recognised to the extent that it is probable economic benefits will flow to the company 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.

Revenue from a contract to provide services is recognised in the period in which the services are provided.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

## **UMOTIF LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **YEAR ENDED 31 DECEMBER 2022**

#### **3. Accounting policies (continued)**

##### **Income tax (continued)**

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment	- Over 3 years on a straight line basis
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##### **Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

3. Accounting policies (continued)

Financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, which include trade and other payables, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less, if not, then they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Research and development

Expenditure on research and development is written off as incurred.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

**UMOTIF LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2022**

**3. Accounting policies (continued)**

**Share-based payments (continued)**

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

**4. Employee numbers**

The average number of persons employed by the company during the year amounted to 86 (2021: 64).

**5. Tangible assets**

	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 January 2022	244,102
Additions	29,730
Disposals	(1,123)
<b>At 31 December 2022</b>	<b>272,709</b>
<b>Depreciation</b>	
At 1 January 2022	151,349
Charge for the year	46,224
Disposals	(1,124)
<b>At 31 December 2022</b>	<b>196,449</b>
<b>Carrying amount</b>	
At 31 December 2022	76,260
At 31 December 2021	92,753

**6. Investments**

	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	73
<b>Impairment</b>	
At 1 January 2022 and 31 December 2022	—
<b>Carrying amount</b>	
At 31 December 2022	73
At 31 December 2021	73

**UMOTIF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

**6. Investments (continued)**

**Subsidiaries, associates and other investments**

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
	1012 College Road, Suite 201, Dover, County of Kent, Delaware 19904		
uMotif Inc.		Ordinary	100

**7. Debtors**

	2022 £	2021 £
Trade debtors	228,378	901,270
Amounts owed by group undertakings	537,065	—
Other debtors	1,565,110	1,527,377
	<u>2,330,553</u>	<u>2,428,647</u>

**8. Creditors: amounts falling due within one year**

	2022 £	2021 £
Convertible loan	10,039,349	—
Trade creditors	335,163	371,225
Amounts owed to group undertakings	—	73
Accruals	153,575	160,633
Social security and other taxes	243,138	175,865
Deferred income	1,207,276	1,010,365
Other creditors	1,680	126,284
	<u>11,980,181</u>	<u>1,844,445</u>

Convertible loan of £10,039,349 is secured by a debenture over the company's assets and book debts.

**9. Called up share capital**

**Issued, called up and fully paid**

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.000001 (2021 - £0.0001) each	17,758,600	18	177,201	18
Preferred ordinary shares of £0.000001 (2021 - £0.0001) each	7,297,500	7	72,975	7
	<u>25,056,100</u>	<u>25</u>	<u>250,176</u>	<u>25</u>

On 29 June 2022, each issued ordinary share of £0.0001 was sub-divided into 100 ordinary shares of £0.000001 and each issued preferred ordinary share of £0.0001 was sub-divided into 100 preferred ordinary shares of £0.000001.



**UMOTIF LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 DECEMBER 2022**

**10. Other financial commitments**

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £18,734 (2021: £65,120) and relates to a financial commitment for office space.