

Registered number: 08606400

GRABYO LIMITED

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

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GRABYO LIMITED

COMPANY INFORMATION

Directors

G J Capon
T C Harding
W R Neale
O M Slipper

Registered number

08606400

Registered office

19 Heddton Street
London
England
W1B 4BG

Independent auditor

Cooper Parry Group Limited
Chartered Accountants & Statutory Auditor
9 Appold Street
London
EC2A 2AP

GRABYO LIMITED

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GRABYO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the strategic report for the year ended 31 December 2022.

Business review for the year

Grabyo provides scalable, affordable solutions for live video production and content distribution to a global client base of more than 100 leading broadcasters, rights holders and media companies - including ITV, BT Sport, UFC, Tennis Australia, MotoGP, Fox Sports and Univision.

Grabyo's cloud native platform is developed in-house and licensed as a Software-as-a-Service (SaaS) solution to customers, with flexible pricing which significantly reduces the need for traditional, high-cost capital investment in hardware and software.

Throughout 2022 Grabyo delivered on its planned increase in product investment in order to reinforce its position at the forefront of the growing shift from on-premise to cloud based video production and delivery. The planned increase in operational spend resulted in a group loss before tax of £2.3m in 2022 (2021: loss before tax of £0.7m).

Grabyo ended the year with a cash balance of £3.5m (2021: £5.7m), putting it in a strong position to deliver on its 2023 plans.

Future outlook

Grabyo ends 2022 in a leading position in the rapidly changing media industry, with a clear strategy and strong executive team to manage capital and deliver growth in both the cloud video production and distribution markets.

Product development will continue to be at the forefront of the company's strategy in 2023, with a strong focus on cloud native SaaS tools which will enable the broadcast industry to make the transition to a sustainable, flexible future for video production. This investment in product and service capability will compound the growth and retention opportunities created in 2022.

Promoting the success of the company

The directors continue to promote and maintain a high standard of business conduct in pursuing Grabyo's goals and dealing with its stakeholders, including placing a focus on implementing and consistently delivering on processes that aim to strengthen the company's control environment.

The directors monitor the business's financial performance through monthly financial reviews, regular re-forecasting exercises and quarterly board meetings, all of which inform the company's day to day operational decisions and long-term strategy.

The directors also participate in regular meetings with staff, customers and suppliers to ensure their interests are taken into consideration in the decision making process.

GRABYO LIMITED

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

Principal risks and uncertainties

The principal risks identified by the directors in delivering their duties are liquidity risk, market risk and currency risk.

Liquidity risk arises from the difficulties the company may face in meeting obligations under financial liabilities as they fall due. The company mitigates liquidity risk by maintaining a sufficient cash balance to meet foreseeable obligations - and the nature of the business model means that growth is cash generative.

Market risk relates to the potential loss of key clients which is mitigated through medium term contracts and maintaining a diverse client base.

Currency risk relates to the fact that the group operates in multiple countries and transactions in GBP, USD and Singapore Dollar this is mitigated partially through natural hedging as a result of purchases and wages being paid for in local currencies.

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

DocuSigned by:

38E0ADA5052B4D9...
G J Capon
Director

Date: 21 April 2023

GRABYO 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' 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 £1,623,311 (2021: loss £328,948). The company continued to execute on its plan to invest in the development of its product, with average headcount remaining stable. There was a small decrease in revenue due to the return to office protocols reducing some remote production activities.

The results for the year are set out on page 3. No interim ordinary dividend was paid during the year (2021: £Nil).

Directors

The directors who served during the year are as shown on the company information page.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

GRABYO LIMITED

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

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

DocuSigned by:

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G J Capon
Director

Date: 21 April 2023

GRABYO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABYO LIMITED

Opinion

We have audited the financial statements of Grabyo Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated Income statement, the consolidated and company Statements of financial position, the consolidated Statement of cash flows, the consolidated and 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 the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards

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 International Financial Reporting Standards; 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 Auditor's 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.

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.

We have nothing to report in this regard.

GRABYO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABYO LIMITED (CONTINUED)

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 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 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.

GRABYO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABYO LIMITED (CONTINUED)

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the key laws and regulations that are applicable to the company. We determined that the most significant laws and regulations in the context of the financial statements included but were not limited to the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We also assessed which areas of the financial statements are more susceptible to misstatement. We considered the opportunities and incentives that may exist within the organisation for fraud, and identified the greatest potential for fraud in revenue recognition, particularly in respect of any manual adjustments made to revenue outside of the day to day recording of transaction and also the potential for off balance sheet items to be considered on balance sheet. We are also mandated to perform specific procedures under ISAs (UK) to respond to the risk of management override.

The primary responsibility for the prevention and detection of fraud and irregularities rests with those charged with governance of the company and management. We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management regarding any instances of known or suspected fraud or non-compliance with laws and regulations, as well as any actual or potential litigation and claims;
- Gaining an understanding of the design and implementation of the processes and controls in place within the company which are designed to prevent, detect or correct fraud or error within the financial statement

To address the risk of fraud through management bias and override of controls, we:

- Reviewed correspondence with legal and regulatory bodies where applicable;
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Reviewed the detail of certain nominal accounts for indications of management override;
- Challenged the accounting treatment applied in respect of revenue recognised during the year, in particular in relation to manual adjustments made to revenue;
- Identified and tested journal entries which we considered to be unusual and may be indicative of bias on the part of management or those charged with governance, investigating the rationale behind significant or unusual transactions;
- Reviewed the minutes of meetings of management and those charged with governance;

GRABYO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABYO LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- We agreed the financial statements disclosures to underlying supporting documentation.

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. This description forms part of our Auditor's 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 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.

A handwritten signature in black ink, appearing to read 'Cooper Parry Group Limited', with a long horizontal line extending to the right.

Steve Leith (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP
Date: 21 April 2023

GRABYO LIMITED

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

	Note	2022 £	2021 £
Turnover	4	6,363,407	6,832,447
Cost of sales		(844,794)	(768,346)
Gross profit		<u>5,518,613</u>	<u>6,064,101</u>
Administrative expenses		(8,083,257)	(6,777,793)
Other operating income	5	194,514	28,163
Operating loss	6	<u>(2,370,130)</u>	<u>(685,529)</u>
Interest receivable and similar income	10	21,850	488
Interest payable and similar expenses	11	-	(552)
Loss before tax		<u>(2,348,280)</u>	<u>(685,593)</u>
Tax on loss	12	785,305	356,645
(Loss)/profit for the financial year		<u><u>(1,562,975)</u></u>	<u><u>(328,948)</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

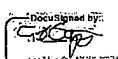
The notes on pages 16 to 40 form part of these financial statements.

GRABYO LIMITED
REGISTERED NUMBER: 08606400

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
ASSETS			
Non-current assets			
Intangible assets	13	4,158,676	3,351,328
Tangible assets	14	35,798	64,330
		<u>4,194,474</u>	<u>3,415,658</u>
Current assets			
Trade and other receivables	16	1,653,490	1,674,277
Cash and cash equivalents	17	3,511,583	5,650,011
		<u>5,165,073</u>	<u>7,324,288</u>
		<u>9,359,547</u>	<u>10,739,946</u>
Total assets			
LIABILITIES			
Non-current liabilities			
Deferred tax payable	19	700,339	640,003
		<u>700,339</u>	<u>640,003</u>
Current Liabilities			
Trade and other payables	18	1,562,581	1,585,294
		<u>2,262,920</u>	<u>1,819,006</u>
EQUITY			
Called up share capital	20	17	17
Share premium account	22	8,207,245	8,207,245
Foreign exchange reserve		3,894	(49,609)
Retained earnings		(1,114,529)	356,996
		<u>7,096,627</u>	<u>8,577,671</u>
Total equity			
Total equity and liabilities		<u>9,359,547</u>	<u>10,395,806</u>

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



G J Capon
 Director

Date: 21 April 2023

The notes on pages 16 to 40 form part of these financial statements.

GRABYO LIMITED
REGISTERED NUMBER: 08606400

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
ASSETS			
Non-current assets			
Intangible assets	13	4,158,676	3,351,328
Tangible assets	14	31,683	60,069
Investments	15	81	81
		<u>4,190,440</u>	<u>3,411,478</u>
Current assets			
Trade and other receivables	16	1,550,136	2,012,219
Cash at bank and in hand	17	3,326,257	4,972,109
		<u>4,876,393</u>	<u>6,984,328</u>
		<u>9,066,833</u>	<u>10,395,806</u>
Total assets			
LIABILITIES			
Non-current liabilities			
Other payables		-	-
Deferred tax payable	19	700,339	640,003
		<u>700,339</u>	<u>640,003</u>
Current Liabilities			
Trade and other payables	18	1,298,024	1,179,003
		<u>1,998,363</u>	<u>1,819,006</u>
EQUITY			
Called up share capital	20	17	17
Share premium account	22	8,207,245	8,207,245
Retained earnings		(1,138,792)	370,409
		<u>7,068,470</u>	<u>8,577,671</u>
Total equity		<u>7,068,470</u>	<u>8,577,671</u>
Total equity and liabilities		<u><u>9,066,833</u></u>	<u><u>10,395,806</u></u>

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


G J Capon
 Director

Date: 21 April 2023

The notes on pages 16 to 40 form part of these financial statements.

GRABYO 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	17	8,207,245	(49,609)	356,996	8,514,649
Comprehensive income for the year					
Loss for the year	-	-	-	(1,562,975)	(1,562,975)
Share option expense	-	-	-	91,450	91,450
Foreign exchange movement	-	-	53,503	-	53,503
Total comprehensive income for the year	-	-	53,503	(1,471,525)	(1,418,022)
At 31 December 2022	17	8,207,245	3,894	(1,114,529)	7,096,627

The notes on pages 16 to 40 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	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	17	8,207,245	(62,120)	583,402	8,728,544
Comprehensive income for the year					
Loss for the year	-	-	-	(328,948)	(328,948)
Share option expense	-	-	-	102,542	102,542
Foreign exchange movement	-	-	12,511	-	12,511
Total comprehensive income for the year	-	-	12,511	(226,406)	(213,895)
At 31 December 2021	17	8,207,245	(49,609)	356,996	8,514,649

The notes on pages 16 to 40 form part of these financial statements.

GRABYO 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	17	8,207,245	370,409	8,577,671
Comprehensive income for the year				
Loss for the year	-	-	(1,600,651)	(1,600,651)
Share option expense	-	-	91,450	91,450
Total comprehensive income for the year	-	-	(1,509,201)	(1,509,201)
At 31 December 2022	<u>17</u>	<u>8,207,245</u>	<u>(1,138,792)</u>	<u>7,068,470</u>

The notes on pages 16 to 40 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	17	8,207,245	693,339	8,900,601
Comprehensive income for the year				
Loss for the year	-	-	(425,472)	(425,472)
Share option expense	-	-	102,542	102,542
Total comprehensive income for the year	-	-	(322,930)	(322,930)
At 31 December 2021	<u>17</u>	<u>8,207,245</u>	<u>370,409</u>	<u>8,577,671</u>

The notes on pages 16 to 40 form part of these financial statements.

GRABYO LIMITED

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

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(1,562,975)	(328,948)
Adjustments for:		
Amortisation of intangible assets	1,813,930	1,364,511
Depreciation of tangible assets	46,436	52,130
Interest paid	-	552
Interest received	(21,850)	(488)
Taxation charge	(785,305)	(356,645)
Decrease/(increase) in debtors	187,749	(183,637)
(Decrease)/increase in creditors	(22,713)	198,168
Tax credit received	679,955	462,044
Share based payments movement	91,450	102,542
Net cash generated from operating activities	<u>426,677</u>	<u>1,310,229</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,621,277)	(2,305,007)
Purchase of tangible fixed assets	(19,181)	(26,575)
Interest received	21,850	488
Net cash from investing activities	<u>(2,618,608)</u>	<u>(2,331,094)</u>
Cash flows from financing activities		
Interest paid	-	(552)
Net cash used in financing activities	<u>-</u>	<u>(552)</u>
Net (decrease) in cash and cash equivalents	<u>(2,191,931)</u>	<u>(1,021,417)</u>
Cash and cash equivalents at beginning of year	5,650,011	6,658,917
Foreign exchange gains and losses	53,503	12,511
Cash and cash equivalents at the end of year	<u>3,511,583</u>	<u>5,650,011</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,511,583	5,650,011
	<u>3,511,583</u>	<u>5,650,011</u>

The notes on pages 16 to 40 form part of these financial statements.

GRABYO LIMITED

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

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	5,650,011	(2,191,931)	53,503	3,511,583
	<u>5,650,011</u>	<u>(2,191,931)</u>	<u>53,503</u>	<u>3,511,583</u>

The notes on pages 16 to 40 form part of these financial statements.

GRABYO LIMITED

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

1. General information

Grabyo Limited (the 'company') and its subsidiary undertakings (the 'group') are limited liability companies incorporated and domiciled in the United Kingdom, Singapore, and the United States of America. The address of the company's registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£) and are rounded to the nearest pound (£). The financial statements are for the year ending 31 December 2022 (2021: year ended 31 December 2021).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

In preparing these financial statements the group applies the recognition, measurement, and disclosure requirements of International Financial Reporting Standards as adopted by the European Union, but makes amendments where necessary in order to comply with Companies Act 2006.

The accounts have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The methods used to measure fair values of assets and liabilities are discussed in the respective notes below.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the group's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

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 statement of financial position, 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.

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.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors believe that the company's sales growth trajectory, its cash levels and its ability to control its operating costs put it in a good position to manage its business risks successfully. This, together with detailed forecasts prepared by the directors have demonstrated a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they consider it is appropriate to apply the going concern basis of accounting in preparing the financial statements.

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Accounting policies (continued)****2.4 Revenue recognition**

For all contracts within the scope of IFRS 15: Revenue from Contracts with Customers, the Group determines whether enforceable rights and obligations have been created with the customer, and recognises revenue based on the total transaction price as estimated at the inception of the contract, being the amount to which the Group expects to be entitled, and over which it has present enforceable rights under the contract. Revenue is allocated proportionately across the contract performance obligations and recognised either over time or at points in time as appropriate.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

2.5 Intangible assets

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

Amortisation 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:

Computer software	33.33% per annum straight-line basis
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2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

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	-	33%
Office equipment	-	33%
Computer equipment	-	33%

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.

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Accounting policies (continued)****2.8 Financial instruments**

The group only enters into basic financial instrument 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 to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Accounting policies (continued)****2.9 Employee benefits, pensions, and other post-employment benefits**

Contributions are made on behalf of certain directors and employees to defined contribution retirement benefit schemes. Pension costs charged against profits represent the amounts payable to the scheme in respect of the year. 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 rendered. 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.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the date of grant is expensed on a straight-line basis over the vesting period based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

2.10 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 reporting 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 reporting 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 reporting date.

GRABYO LIMITED

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

2. Accounting policies (continued)

2.11 Foreign currency translation

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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.

2.12 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. Impairment losses of continuing operations are recognised in the Statement of comprehensive Income in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income.

2.13 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.14 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Accounting policies (continued)****2.15 Leased assets**

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

For any new contracts entered into on or after 1 January 2019 at inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

The company recognises a right-of-use asset and a lease liability on the balance sheet at the lease commencement date. The right-of-use asset is initially measured at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the company assesses the right-of-use asset for impairment when such indicators exist. It is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

At the commencement date the lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. The company has elected to use the incremental borrowing rate at the date of transition as the interest rate implicit in the leases could not be readily determined.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

GRABYO LIMITED

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

2. Accounting policies (continued)

2.16 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The group makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of non-current assets

The group assesses the impairment of property, plant and equipment, intangible assets, and investments subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all property, plant and equipment classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Capitalisation of development costs and useful life

Distinguishing between research and development phases of Grabyo Limited's platform and determining the recognition requirements for the capitalisation of development costs are met requires judgements. After capitalisation the directors monitor whether the recognition requirements continue to be met and whether there are indicators that the capitalised costs may be impaired. In additions the directors review its estimates of the useful lives of internally generated software at each reporting date, based on the life of that asset. Uncertainties in these estimates relate to technological obsolescence that may change the use of the platform.

Recoverability of trade receivables

Trade and other receivables are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Impairments are made specifically against invoices where recoverability is uncertain.

The group make allowances for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment for doubtful debts. Where the expectation is different from the original estimate, such a difference will impact the carrying value of trade receivables and the charge in the statement of comprehensive income.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a results of a past event for which it is probable that an outflow of resources will be required to settle the obligation and

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**3. Judgments in applying accounting policies (continued)**

the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Leasing

In respect of right-of-use leased assets key estimates are a combination of the incremental borrowing rate used to discount the total cash flows and the term of the leases where breaks or extensions fall within the group's control. These are used to derive both the opening asset value and lease liability as well as the consequential depreciation and financing charges.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Fair value calculations

Management believe the estimates used to establish a fair value for share based payments, using the Black Scholes pricing model, and warrant instruments using the Binomial Tree model are a key source of estimation uncertainty. The inputs to the fair value model reflect managements best estimate.

4. Revenue

The whole of the revenue is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	1,987,637	2,291,231
Rest of the world	4,375,770	4,541,216
	<u>6,363,407</u>	<u>6,832,447</u>

GRABYO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****5. Other operating income**

	2022 £	2021 £
Other operating income	194,514	28,163
	<u>194,514</u>	<u>28,163</u>

Within other operating income, Grabyo Limited received £183k (2021: nil) for income relating to rental service fees.

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation on tangible assets	47,714	52,130
Exchange differences	41,523	12,511
Amortisation on intangible assets	1,813,929	1,364,511
	<u>1,813,929</u>	<u>1,364,511</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the consolidated and parent company's financial statements	30,500	30,500
Taxation compliance services	4,000	4,000
	<u>30,500</u>	<u>30,500</u>

GRABYO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**8. Employees**

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	6,225,131	5,577,860	4,848,066	4,137,433
Social security costs	635,690	528,166	559,372	442,143
Cost of defined contribution scheme	71,534	60,781	71,534	60,781
	<u>6,932,355</u>	<u>6,166,807</u>	<u>5,478,972</u>	<u>4,640,357</u>

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

	2022 No.	2021 No.
Employees	<u>79</u>	<u>78</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	<u>334,180</u>	<u>329,180</u>
	<u>334,180</u>	<u>329,180</u>

The highest paid director received remuneration of £250,000 (2021: £245,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021: £Nil).

The total accrued pension provision of the highest paid director at 31 December 2022 amounted to £Nil (2021: £Nil).

Key management personnel are the same as the directors and do not differ in either 2021 or 2022.

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>21,850</u>	<u>488</u>
	<u>21,850</u>	<u>488</u>

GRABYO LIMITED

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

11. Interest payable and similar expenses

	2022 £	2021 £
Bank and other fees	-	552
	-	552

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(845,641)	(689,036)
	(845,641)	(689,036)
Foreign tax		
Foreign tax on income for the year	-	5,086
	-	5,086
Total current tax	(845,641)	(683,950)
Deferred tax		
Origination and reversal of timing differences	47,767	228,558
Adjustments in respect of prior periods	(2,515)	-
Effect of tax rate change on opening balance	15,084	98,747
Total deferred tax	60,336	327,305
Taxation on loss on ordinary activities	(785,305)	(356,645)

GRABYO LIMITED

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

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021: the same as) the standard rate of corporation tax in the UK of 19% (2021: 19%) as set out below:

	2022 £	2021 £
Loss on ordinary activities before tax	(2,385,956)	(663,702)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(453,332)	(126,103)
Effects of:		
Fixed asset differences	-	(1,400)
Expenses not deductible for tax purposes	18,493	15,566
Additional deduction for R&D expenditure	(627,387)	(597,916)
Surrender of tax losses for R&D tax credit refund	262,893	902,875
Current tax - other	-	(703,268)
Remeasurement of deferred tax for changes in tax rates	15,084	153,601
Adjustments to tax charge in respect of previous periods	1,459	-
Adjustments to tax charge in respect of previous periods - deferred tax	(2,515)	-
Total tax charge for the year	(785,305)	(356,645)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 December 2022 is 25% and deferred tax has been re-measured at this date.

GRABYO LIMITED

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

13. Intangible assets

Group

	Computer software £
Cost	
At 1 January 2022	6,765,918
Additions	2,621,277
Disposals	(690,515)
At 31 December 2022	<u>8,696,680</u>
Amortisation	
At 1 January 2022	3,414,590
Charge for the year	1,813,929
On disposals	(690,515)
At 31 December 2022	<u>4,538,004</u>
Net book value	
At 31 December 2022	<u><u>4,158,676</u></u>
At 31 December 2021	<u><u>3,351,328</u></u>

GRABYO LIMITED

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

13. Intangible assets (continued)

Company

	Computer software £
Cost	
At 1 January 2022	6,765,918
Additions - internal	2,621,277
Disposals	(690,515)
At 31 December 2022	<u>8,696,680</u>
Amortisation	
At 1 January 2022	3,414,590
Charge for the year	1,813,929
On disposals	(690,515)
At 31 December 2022	<u>4,538,004</u>
Net book value	
At 31 December 2022	<u><u>4,158,676</u></u>
At 31 December 2021	<u><u>3,351,328</u></u>

GRABYO LIMITED

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

14. Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2022	68,762	125,782	10,482	205,026
Additions	-	15,805	3,376	19,181
Disposals	-	(2,042)	-	(2,042)
At 31 December 2022	<u>68,762</u>	<u>139,545</u>	<u>13,858</u>	<u>222,165</u>
Depreciation				
At 1 January 2022	52,493	80,040	8,163	140,696
Charge for the year	16,269	28,924	2,521	47,714
Disposals	-	(2,042)	-	(2,042)
At 31 December 2022	<u>68,762</u>	<u>106,922</u>	<u>10,684</u>	<u>186,368</u>
Net book value				
At 31 December 2022	<u>-</u>	<u>32,623</u>	<u>3,174</u>	<u>35,797</u>
At 31 December 2021	<u>16,269</u>	<u>45,742</u>	<u>2,319</u>	<u>64,330</u>

GRABYO LIMITED

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

14. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 January 2022	68,762	121,877	190,639
Additions	-	15,315	15,315
Disposals	-	(2,042)	(2,042)
At 31 December 2022	68,762	135,150	203,912
Depreciation			
At 1 January 2022	52,493	78,077	130,570
Charge for the year	16,269	27,432	43,701
Disposals	-	(2,042)	(2,042)
At 31 December 2022	68,762	103,467	172,229
Net book value			
At 31 December 2022	-	31,683	31,683
At 31 December 2021	16,269	43,800	60,069

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2022 and 31 December 2022	81

GRABYO LIMITED

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

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Grabyo Inc	US	Ordinary	100%
Grabyo Pte Ltd	Singapore	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 was as follows:

Name	Profit/(Loss) £
Grabyo Inc	62,310
Grabyo Pte Ltd	33,406

16. Receivables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade receivables	486,985	686,529	394,364	523,899
Amounts owed by group undertakings	-	-	70,334	582,943
Other receivables	960,903	795,217	896,478	730,848
Prepayments and accrued income	205,602	192,531	188,960	174,529
	<u>1,653,490</u>	<u>1,674,277</u>	<u>1,550,136</u>	<u>2,012,219</u>

The ageing of past due trade receivables according to their original due date is detailed below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
0-30 days	470,702	147,623	378,342	104,424
31-60 days	16,283	43,387	16,022	38,953
61-90 days	-	81,653	-	16,180
+90 days	-	-	-	-
	<u>486,985</u>	<u>272,663</u>	<u>394,364</u>	<u>159,557</u>

Trade receivables, including amounts owed by group undertakings, are non-interest bearing and are generally due and paid within 30 days. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and that no impairment is required at the reporting dates. Trade and other receivables represent financial assets and are assessed for impairment on an expected credit loss model. Therefore, there is no expected credit loss provision for impairment at 31 December 2022 (31 December 2021: £Nil).

GRABYO LIMITED

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

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	3,511,583	5,650,011	3,326,257	4,972,109
	<u>3,511,583</u>	<u>5,650,011</u>	<u>3,326,257</u>	<u>4,972,109</u>

18. Payables: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade payables	151,732	154,378	148,830	144,220
Amounts owed to group undertakings	-	-	76,720	-
Other taxation and social security	150,198	157,228	142,196	149,028
Other payables	18,624	32,133	15,549	31,196
Accruals and deferred income	1,242,026	1,241,555	914,729	854,559
	<u>1,562,580</u>	<u>1,585,294</u>	<u>1,298,024</u>	<u>1,179,003</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

GRABYO LIMITED

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

19. Deferred taxation

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences that arise when the carrying value of assets and liabilities differ between accounting and tax treatments. Deferred tax assets represent the amounts of income taxes recoverable in the future in respect of those differences, while deferred tax liabilities represent the amounts of income taxes payable in the future in respect of those differences.

Group

	2022 £	2021 £
At beginning of year	(640,003)	(312,698)
Charged to the profit or loss	(60,336)	(327,305)
At end of year	(700,339)	(640,003)

Company

	2022 £	2021 £
At beginning of year	(640,003)	(312,698)
Charged to profit or loss	(60,336)	(327,305)
At end of year	(700,339)	(640,003)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(852,388)	(852,388)	(852,388)	(852,388)
Short term temporary differences	2,496	2,496	2,496	2,496
Losses and other deductions	149,553	209,889	149,553	209,889
	(700,339)	(640,003)	(700,339)	(640,003)

In May 2021, it was enacted that the rate of corporation tax will increase from 19% to 25% from April 2023.

GRABYO LIMITED

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

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,654,801 A ordinary shares of £0.00001 each	17	17
	<u>17</u>	<u>17</u>

21. Financial Instruments

Financial risk management

The determination of financial risk management policies is managed by the directors of the Group. Policies are set to reduce risk as far as possible without unduly affecting the operating effectiveness of the Grabyo group. The Group's activities expose it to a variety of financial risks, the most significant being credit risk, liquidity risk and interest rate risk together with a degree of foreign currency risk as discussed below.

Categories of financial instruments

The Group has the below categories of financial instruments:

	2022	2021
Recognised at amortised cost		
Trade and other receivables	807,849	1,674,277
Cash and cash equivalents	3,511,583	5,650,011
Trade and other payables	(1,562,581)	(1,585,294)
Lease liabilities	(92,628)	(92,628)
	<u>2,664,223</u>	<u>5,646,366</u>

Liquidity risk

The Group now funds its business through equity and from cash generated from operations. The Group monitors and manages cash to mitigate any liquidity risk it may face. The Group's contractual maturities of financial liabilities are based on undiscounted cash flows including interest charges and the earliest date on which the Group is obliged to make repayment. All financial liabilities fall due within one year.

Foreign Currency Risk

The Group has limited exposure to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The risk is in respect of US dollars and Singapore Dollars and transactions in these currencies are limited with natural hedges taking place through sales and payments made in those currencies.

Sensitivity Analysis to movement in exchange rates

Given the highly immaterial liability balances denominated in foreign currency, the exposure to a change in exchange rates is negligible.

GRABYO LIMITED

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

22. Reserves

Share premium account

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

The foreign exchange reserve represents currency movements in the year and prior periods from the retranslation of the foreign currency subsidiary statements of financial position.

Retained earnings

The retained earnings represent accumulated comprehensive income for the prior periods less dividends paid.

Profit and loss account

The profit and loss account represents comprehensive income for the year.

GRABYO LIMITED

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

23. Share-based payments

Grabyo Limited have share options in issue, all options which have been granted have non-market vesting conditions attached and all share options which have been granted are of the same class: B ordinary shares which are exercisable between three and ten years following their grant. These are granted at the discretion of the Directors'. There are no cash settlement alternatives for the employees therefore these are all accounted for under IFRS 2 as equity-settled options.

The fair value of share options granted is estimated at the date of grant. The grant date for accounting purposes is at various points as the options were issued, as this is when a shared understanding of the terms and conditions of the arrangements was achieved between the various parties. A non-marketability discount was applied when assessing the fair value at grant date.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model.

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

	Weighted average exercise price (£)	Number	Weighted average exercise price (£)	Number
	2022	2022	2021	2021
Outstanding at the beginning of the year	6.49	152,597	5.49	147,037
Granted during the year	28.00	5,588	28.00	7,810
Forfeited during the year	25.43	(3,817)	15.22	(2,250)
Outstanding at the end of the year	15.29	154,368	6.49	152,597

	2022 £	2021 £
Equity-settled schemes	824,899	755,176
	824,899	755,176

GRABYO LIMITED

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

The fair value of options granted is calculated at the date of grant using a Black-Scholes option pricing model. Expected volatility was determined by utilising market data for businesses of a similar nature given that the shares are not traded and the volatility has been taken over the expected life of the options. The expected life applied in the model is based on the terms of agreements in place for options granted. The following table lists the inputs to the model used for options granted in the years ended 31 December 2022 and 31 December 2021 based on information at the date of grant.

Share Options	2022	2021
Share price at date of grant	£35.85	£31.85
Discount for Ordinary B status	5%	5%
Exercise price	£28.00	£28.00
Volatility	60%	64%
Expected life	10 years	10 years
Risk free rate	1.25%	1.45%
Weighted average fair value per option	<u>£19.12</u>	<u>£16.77</u>

24. Capital commitments

At 31 December 2022 the group and company had capital commitments as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements	(2,875,890)	(2,578,248)	(2,875,890)	(2,578,248)
	<u>(2,875,890)</u>	<u>(2,578,248)</u>	<u>(2,875,890)</u>	<u>(2,578,248)</u>

Grabyo Limited has committed to spending the following amounts:

\$1,740,000 over the period 1 April 2022 to 31 March 2023

\$1,740,000 over the period 1 April 2023 to 31 March 2024.

In 2021 the commitments were as follows:

\$1,074,000 over the period 1 March 2020 to 28 February 2021

\$1,074,000 over the period 1 March 2021 to 28 February 2022

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £71,534 (2021: £60,781). Contributions totaling £15,549 (2021: £35,799) were payable to the fund at the statement of financial position date and are included in payables.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	92,628	92,628	92,628	92,628
	<u>92,628</u>	<u>92,628</u>	<u>92,628</u>	<u>92,628</u>

27. Related party transactions

During the year there were related party transactions of £Nil (2021: £Nil).

28. Controlling party

In the opinion of the directors the ultimate controlling party is W R Neale.