

Registered number: 09668180 (England and Wales)

INVENIA LABS LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



INVENIA LABS LIMITED

COMPANY INFORMATION

Directors	M Hudson C Steinruecken Dr. C L Ududec Invenia Technical Computing Corporation
Company secretary	F&L CoSec Limited
Registered number	09668180
Registered office	New Penderel House 4th Floor 283-288 High Holborn London United Kingdom WC1V 7HP
Accountants	F&L Corporate Reporting Services Limited New Penderel House 4th Floor 283-288 High Holborn London United Kingdom WC1V 7HP

INVENIA LABS LIMITED

CONTENTS

	Page
Balance Sheet	1 - 2
Statement of Changes in Equity	3
Notes to the Financial Statements	4 - 9

IVENIA LABS LIMITED
REGISTERED NUMBER:09668180

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	3	190,861	37,317
		<u>190,861</u>	<u>37,317</u>
Current assets			
Debtors: amounts falling due within one year	4	421,230	58,789
Cash at bank and in hand		247,076	75,497
		<u>668,306</u>	<u>134,286</u>
Creditors: amounts falling due within one year	5	(945,418)	(489,173)
Net current liabilities		<u>(277,112)</u>	<u>(354,887)</u>
Total assets less current liabilities		<u>(86,251)</u>	<u>(317,570)</u>
Net liabilities		<u>(86,251)</u>	<u>(317,570)</u>
Capital and reserves			
Called up share capital		5,100	5,100
Share option reserve	6	102,078	60,742
Profit and loss account	6	(193,429)	(383,412)
		<u>(86,251)</u>	<u>(317,570)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

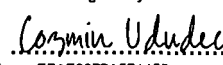
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

INVENIA LABS LIMITED
REGISTERED NUMBER:09668180

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
DocuSigned by:
Dr. C L Ududec
Director

Date:30 September 2019 | 10:34 AM BST

The notes on pages 4 to 9 form part of these financial statements.

INVENIA LABS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share option reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017 (as previously stated)	5,100	-	(301,864)	(296,764)
Prior year adjustment (note 7)	-	-	37,036	37,036
At 1 January 2017 (as restated)	5,100	-	(264,828)	(259,728)
Loss for the year	-	-	(118,584)	(118,584)
Share option charge	-	60,742	-	60,742
At 1 January 2018 (as previously stated)	5,100	60,742	(322,670)	(256,828)
Prior year adjustment (note 7)	-	-	(60,742)	(60,742)
At 1 January 2018 (as restated)	5,100	60,742	(383,412)	(317,570)
Profit for the year	-	-	189,983	189,983
Share option charge	-	41,336	-	41,336
At 31 December 2018	5,100	102,078	(193,429)	(86,251)

The notes on pages 4 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In September 2019, the Company retrospectively implemented a new transfer pricing policy effective from 1 January 2018. This replaced the existing stream of turnover.

The following criteria must also be met before turnover is recognised:

Intellectual property licensing:

Turnover is recognised based on an intercompany transfer pricing agreement to mark up costs related to an intellectual property being deployed in an Energy Intelligence System (EIS) at 12%. The licensing fees are recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

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

Data and software development services:

Services utilised by the UK for data and software development services are recharged within the intellectual property licence fee.

1.3 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Profit and Loss Account on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.4 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Computer equipment	-	55%

Depreciation for short-term leasehold improvements is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation for short-term leasehold improvements is provided on the following basis:

Short-term leasehold property	-	10 years
-------------------------------	---	----------

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 the Profit and Loss Account.

1.5 Debtors

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

1.6 Cash and cash equivalents

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

1.7 Creditors

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

INVENIA LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 the Profit and Loss Account.

1.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and Loss Account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet 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 Company 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 and Loss Account over the remaining vesting period.

1.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.11 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

INVENIA LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)**1.12 Taxation**

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

2. Employees

The average monthly number of employees, including directors, during the year was 15 (2017 - 8).

INVENIA LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	-	18,126	33,829	51,955
Additions	166,414	6,735	13,650	186,799
Disposals	-	(9,312)	(25,831)	(35,143)
At 31 December 2018	166,414	15,549	21,648	203,611
Depreciation				
At 1 January 2018	-	3,606	11,032	14,638
Charge for the year on owned assets	1,877	2,618	4,844	9,339
Disposals	-	(1,661)	(9,566)	(11,227)
At 31 December 2018	1,877	4,563	6,310	12,750
Net book value				
At 31 December 2018	164,537	10,986	15,338	190,861
At 31 December 2017	-	14,520	22,797	37,317

4. Debtors

	2018 £	2017 £
Other debtors	347,168	17,850
Prepayments and accrued income	26,900	10,624
VAT	47,162	30,315
	421,230	58,789

INVENIA LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****5. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	123,634	12,931
Amounts owed to group undertakings	682,445	432,397
Corporation tax	98	1,184
Other taxation and social security	36,720	27,574
Other creditors	66,893	3,764
Accruals and deferred income	35,628	11,323
	<u>945,418</u>	<u>489,173</u>

6. Share option reserve

Certain employees of the Company are granted share options in the parent company Invenia Technical Computing Corporation. The options are granted at an independently determined fair value.

The options vest over a four year period, with 25% vesting after one year and then monthly thereafter.

An expense equivalent to the fair value of the share options granted is recognised evenly over the vesting period with a corresponding amount being recognised in the share option reserve.

7. Prior year adjustment

A prior year adjustment has been made to include a share option charge in relation to the scheme detailed in note 6, which had commenced in the prior year. The effect of this adjustment has been an increase in the loss in the prior year of £60,742, with a corresponding entry to the share option reserve.

In the prior year an adjustment was made to include turnover due from the parent company, Invenia Technical Computing Corporation. The effect of this adjustment was to increase the profit and loss reserve brought forward as at 1 January 2017 by £37,036 and decrease the intercompany payable by the same amount.

8. Controlling party

Invenia Technical Computing Corporation is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 281 McDermot Avenue, Suite 201, Winnipeg, Manitoba, R3B 0S9, Canada.

9. Post balance sheet events

Except from the change in transfer pricing policy, as noted in accounting policy 1.2, there were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.