

NAVENIO LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NAVENIO LIMITED
REGISTERED NUMBER: 09845565

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	37,220	19,186
Tangible assets	5	89,519	63,570
		<u>126,739</u>	<u>82,756</u>
Current assets			
Debtors: amounts falling due within one year	6	1,219,641	688,061
Cash at bank and in hand	7	1,887,387	4,604,588
		<u>3,107,028</u>	<u>5,292,649</u>
Creditors: amounts falling due within one year	8	(459,769)	(169,082)
Net current assets		<u>2,647,259</u>	<u>5,123,567</u>
Total assets less current liabilities		<u>2,773,998</u>	<u>5,206,323</u>
Net assets		<u><u>2,773,998</u></u>	<u><u>5,206,323</u></u>
Capital and reserves			
Called up share capital	10	2,823	2,823
Share premium account		7,352,747	7,352,747
Profit and loss account		(4,581,572)	(2,149,247)
		<u><u>2,773,998</u></u>	<u><u>5,206,323</u></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.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

NAVENIO LIMITED
REGISTERED NUMBER: 09845565

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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

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T P Weil

Director

Date: 24 May 2019

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

1. General information

Navenio Limited is a private company, limited by share capital and incorporated in England and Wales.

The Company's registered office is Nexus, Discovery Way, Leeds, LS2 3AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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.

2.2 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.

2.3 Revenue

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the 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.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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

2. Accounting policies (continued)

2.9 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:

Plant & machinery	-	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 the Statement of Comprehensive Income.

2.10 Debtors

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

2.11 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.

2.12 Creditors

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

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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

2. Accounting policies (continued)

2.14 Financial instruments

The Company 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 non-puttable ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 24 (2017 - 18).

4. Intangible assets

	Patents £	Computer software £	Total £
Cost			
At 1 January 2018	19,186	-	19,186
Additions	13,819	4,250	18,069
	<hr/>	<hr/>	<hr/>
At 31 December 2018	33,005	4,250	37,255
	<hr/>	<hr/>	<hr/>
Amortisation			
Charge for the year	-	35	35
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	35	35
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2018	<u>33,005</u>	<u>4,215</u>	<u>37,220</u>
At 31 December 2017	<u>19,186</u>	<u>-</u>	<u>19,186</u>

NAVENIO LIMITED

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

5. Tangible fixed assets

	Plant & machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	875	28,569	62,900	92,344
Additions	2,382	11,280	52,504	66,166
At 31 December 2018	3,257	39,849	115,404	158,510
Depreciation				
At 1 January 2018	49	10,214	18,511	28,774
Charge for the year on owned assets	1,012	11,249	27,956	40,217
At 31 December 2018	1,061	21,463	46,467	68,991
Net book value				
At 31 December 2018	2,196	18,386	68,937	89,519
At 31 December 2017	826	18,355	44,389	63,570

6. Debtors

	2018 £	2017 £
Trade debtors	17,847	1,968
Other debtors	105,738	41,491
Prepayments and accrued income	52,197	7,961
Tax recoverable	631,851	459,487
Deferred taxation	412,008	177,154
	<u>1,219,641</u>	<u>688,061</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,887,387	4,604,588
	<u>1,887,387</u>	<u>4,604,588</u>

NAVENIO LIMITED

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

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	56,631	25,183
Other taxation and social security	110,002	48,735
Other creditors	13,157	11,004
Accruals and deferred income	279,979	84,160
	<u>459,769</u>	<u>169,082</u>

9. Deferred taxation

	31 December 2017 £	31 October 2016 £
At beginning of year	177,154	54,915
Charged to profit or loss	234,854	122,239
At end of year	<u>412,008</u>	<u>177,154</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(15,218)	(10,807)
Short term timing differences	1,269	1,871
Tax losses carried forward and other deductions	425,957	186,090
	<u>412,008</u>	<u>177,154</u>

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
276,049 (2017 - 276,049) Ordinary shares of £0.01 each	2,760	2,760
6,280 (2017 - 6,280) Growth shares of £0.01 each	63	63
	<u>2,823</u>	<u>2,823</u>

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

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £71,812 (2017 - £11,004). Contributions totalling £7,467 (2017 - £11,004) were payable to the fund at the balance sheet date and are included in creditors.

12. Commitments under operating leases

At 31 December the company had no payments due under operating leases. The company entered into a property lease on 28 January 2019 following which the future minimum lease payments under non-cancelable operating leases are disclosed below:

	2018 £	2017 £
Not later than 1 year	163,767	-
Later than 1 year and not later than 5 years	327,534	-
	<u>491,301</u>	<u>-</u>

13. Related party transactions

A Trigoni provided consultancy services to the company during the year of £48,000 (2017: £61,667), with £4,000 (2017: £4,000) outstanding at the year end.

IP Assist provided business support services to the company during the year of £8,817 (2017: £9,121), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder IP Group.

IP Group provided director services to the company during the year of £5,000 (2017: £5,833), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder IP Group.

OSI provided director services to the company during the year of £5,000 (2017: £5,833), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder Oxford Sciences Innovation.

All transactions were carried out at market value and on an arms length basis.

14. Post balance sheet events

On 28 February 2019 a convertible loan of £3.261m was entered into.

15. Controlling party

The directors believe there is no one ultimate controlling party.

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