

**NAVENIO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NAVENIO LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	M T Arnold Dr A Trigoni T P Weil (resigned 17 February 2022) IP2IPO Services Limited C D Hall (resigned 17 February 2022) Y G P Chim M P Moran C Moser (appointed 17 February 2022)
<b>Company secretary</b>	D Stone
<b>Registered number</b>	09845565
<b>Registered office</b>	Ramsey House 10 St Ebbes Street Oxford OX1 1PT
<b>Independent auditors</b>	James Cowper Kreston Chartered Accountants 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

# NAVENIO LIMITED

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# NAVENIO LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### Introduction

The company was incorporated on the 28th October 2015 as a spin out from the University of Oxford with the aim of extending the research into the use and commercialisation of its AI led infrastructure free Indoor Location Technology initially developed in the Computer Science department by Dr. A. Trigoni.

### Business review

In the financial year ended 31 December 2021 the company continued to invest in the development and commercialisation of its Intelligent Workforce Solutions (IWS), Intelligent Location Solution (ILS) business and research into improving and extending the technology on which it is based. Revenue increased by 316% to £1,282,971 (2020: £406,474). This was a considerable achievement primarily selling to the primary healthcare market in the face of the ongoing pandemic. The company also registered its first sales in the US market and its indoor location technology into a major mapping company. Operating losses increased by 6% to £5,134,467 (2020: £4,839,454).

In December 2021 the company raised an additional £5.96m of equity share capital with a further £3.6m under shareholder option. In January 2022 Connie Moser joined the company as CEO to drive the sales of the company's services into the US market.

### Principal risks and uncertainties

#### R&D

Should research and development work take too long to deliver products, services or Intellectual Property that can be sold for sums more than the cost of producing them this will lead to difficulties in raising the funding necessary to fund future research and development and working capital.

#### Brexit

The risk posed by Brexit is deemed to be limited by the board. The products and services being developed by the company are currently expected to be unaffected by customs issues. The free movement of highly educated computer programmers into the United Kingdom needed to develop the products and services is expected to be materially unaffected.

#### Covid-19 pandemic

The risk posed by the Covid-19 pandemic has to a significant extent been reflected in the financial statements and is primarily linked to delays in customer evaluations and orders due to the widespread disruption in the primary UK healthcare market and the knock-on effects to staffing and moral within the NHS delaying projects and prospect decision making. Slow adoption of the products and services could have an impact on raising the next round of finance.

The company aims to mitigate the financing risks by recruiting and retaining technical and sales staff capable of delivering the research and developing the products and services at a price that meets the needs in the market. Should free movement of technical staff be affected by Brexit or Covid-19, the company could with minimal disruption employ staff inside the EU, the company already has a branch in Greece, or in other areas in the world as staff are already largely working remotely. Risks are further being mitigated by the company's strategy to sell to markets outside the UK with a focus on the US and by selling into markets outside of the healthcare industry.

The company is in advanced discussions with the Investors around the Investors' option, granted at the previous fundraising, to inject a further £3.6m of equity investment into the company. The directors expect to receive the funds within 8 weeks of the signing of these accounts. This funding is expected to provide sufficient financial resources for the company to implement its growth strategy into Q3 of 2023 although a larger funding round would allow the business to invest in the earlier development of complementary products and services and sales and marketing to boost its addressable market and accelerate growth. Whilst there undoubtedly remains a risk that a funding round may not be closed, the directors note that the funding situation in which the company finds itself is not unusual for a small company in the early stages of its development and commercialisation.

**NAVENIO LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Financial key performance indicators**

The company is at the early stages of its development. Key financial performance indicators at this stage are not relevant to the measurement of the business. Significant funding was successfully raised from existing institutional investors in 2021 to enable products and services to be developed and brought to market.

In future periods the key performance indicators may include but will not be limited to revenues, recurring revenues, operating profits, operating margin and cash flow from operations.

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

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**M P Moran**

Director

Date: 16 August 2022

## NAVENIO LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors

The directors who served during the year were:

M T Arnold  
Dr A Trigoni  
T P Weil (resigned 17 February 2022)  
IP2IPO Services Limited  
C D Hall (resigned 17 February 2022)  
Y G P Chim  
M P Moran

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company'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 Company 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 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 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 £4,855,954 (2020 - loss £5,543,255).

The directors do not recommend the payment of a dividend.

#### Future developments

The Company hired Connie Moser as CEO in January 2022. Connie brings extensive healthcare software experience and is based in the USA. Whilst the business has produced its IWS solution with a focus on proving the technology by delivering potentially significant benefits in healthcare in the UK, strategically the Navenio Indoor Location Technology is not sector specific and in its ILS form can be provided to businesses both within and outside the healthcare market both inside and outside the UK. The Company is following a strategy to expand rapidly internationally bringing its world class infrastructure free indoor location technology to new markets.

## NAVENIO LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

#### Going concern

As noted in the Strategic Report, the Company is currently in the process of raising the next round of equity capital and the directors expect to do so within 4 weeks from the date of these accounts through a pre agreed equity raise from existing Investors granted by way of a shareholder option at the previous fundraising. Having reviewed the income statement and cash flow forecasts prepared by management, without funds from the investor option, the Company only has sufficient funds to meet liabilities as they fall due through to the end of 2022. On the basis of known and expected revenue growth, and the latest round of funding expected to complete within 4 weeks from the date of these accounts, the directors believe with the additional funding they will have sufficient funding within 12 months from the date of these accounts. Having reviewed the income statement and cash flow forecasts prepared by management, the directors consider it appropriate to prepare the financial statements on a going concern basis.

However, as the funding plans are yet to be completed, there still remains a material uncertainty over sufficient funds being available to continue operations. More details can be found in note 2 to the accounts.

#### Post balance sheet events

On 17 January 2022 Connie Moser was appointed as the CEO of the company. Tim Weil, the outgoing CEO, continued to work for the business until 31 March 2022 and continues to act for the company on strategic deals.

#### Auditors

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

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**M P Moran**

Director

Date: 16 August 2022

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVENIO LIMITED**

**Opinion**

We have audited the financial statements of Navenio Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the matters set out in relation to the requirement for additional funding may cast significant doubt on the Company's ability to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Auditors' 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVENIO 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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVENIO LIMITED (CONTINUED)

**Auditors' 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 financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows;

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Other matters**

The comparatives for the year ended 31 December 2020 were not subject to audit because the company took advantage of small company audit exemptions in the previous accounting period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVENIO LIMITED (CONTINUED)

**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 Auditors' 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.

Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

17 August 2022

NAVENIO LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
Turnover		1,282,971	406,474
Cost of sales		(128,787)	(74,190)
<b>Gross profit</b>		<b>1,154,184</b>	<b>332,284</b>
Administrative expenses		(6,470,538)	(5,745,622)
Other operating income		181,887	573,884
<b>Operating loss</b>		<b>(5,134,467)</b>	<b>(4,839,454)</b>
Interest receivable and similar income		2,714	15,043
Interest payable and similar expenses		-	(1,385)
<b>Loss before tax</b>		<b>(5,131,753)</b>	<b>(4,825,796)</b>
Tax on loss		275,799	(717,459)
<b>Loss for the financial year</b>		<b>(4,855,954)</b>	<b>(5,543,255)</b>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 25 form part of these financial statements.

**NAVENIO LIMITED**  
**REGISTERED NUMBER: 09845565**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Intangible assets	11	318,753	231,493
Tangible assets	12	115,082	162,577
		<u>433,835</u>	<u>394,070</u>
<b>Current assets</b>			
Stocks	13	20,070	35,310
Debtors: amounts falling due within one year	14	975,608	1,139,431
Cash at bank and in hand	15	6,866,065	5,676,323
		<u>7,861,743</u>	<u>6,851,064</u>
Creditors: amounts falling due within one year	16	(1,079,688)	(1,066,682)
<b>Net current assets</b>		<u>6,782,055</u>	<u>5,784,382</u>
<b>Total assets less current liabilities</b>		<u>7,215,890</u>	<u>6,178,452</u>
<b>Net assets</b>		<u><u>7,215,890</u></u>	<u><u>6,178,452</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	6,779	5,267
Share premium account		26,103,589	20,211,709
Profit and loss account		(18,894,478)	(14,038,524)
		<u><u>7,215,890</u></u>	<u><u>6,178,452</u></u>

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

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**M P Moran**

Director

Date: 16 August 2022

The notes on pages 13 to 25 form part of these financial statements.

NAVENIO LIMITED

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 (as previously stated)	5,267	20,211,709	(12,174,599)	8,042,377
Prior year adjustment	-	-	(1,863,925)	(1,863,925)
At 1 January 2021 (as restated)	<u>5,267</u>	<u>20,211,709</u>	<u>(14,038,524)</u>	<u>6,178,452</u>
Loss for the year	-	-	(4,855,954)	(4,855,954)
Shares issued during the year	1,512	5,891,880	-	5,893,392
<b>At 31 December 2021</b>	<u><u>6,779</u></u>	<u><u>26,103,589</u></u>	<u><u>(18,894,478)</u></u>	<u><u>7,215,890</u></u>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	2,827	7,353,317	(8,495,269)	(1,139,125)
Loss for the year	-	-	(5,543,255)	(5,543,255)
Shares issued during the year	2,440	12,858,392	-	12,860,832
<b>At 31 December 2020</b>	<u><u>5,267</u></u>	<u><u>20,211,709</u></u>	<u><u>(14,038,524)</u></u>	<u><u>6,178,452</u></u>

The notes on pages 13 to 25 form part of these financial statements.

NAVENIO LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(4,855,954)	(5,543,255)
<b>Adjustments for:</b>		
Depreciation of tangible assets	115,357	107,242
Loss on disposal of tangible assets	(2,188)	216
Government grants	(181,887)	(487,076)
Interest paid	-	1,385
Interest received	(2,714)	(15,043)
Taxation charge	(275,799)	717,459
Decrease/(increase) in stocks	15,240	(35,310)
Decrease/(increase) in debtors	119,183	(103,357)
Increase in creditors	57,646	248,636
Corporation tax received	275,799	287,791
<b>Net cash generated from operating activities</b>	<b>(4,735,317)</b>	<b>(4,821,312)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(99,255)	(105,796)
Purchase of tangible fixed assets	(57,835)	(74,552)
Sale of tangible fixed assets	4,156	600
Government grants received	181,887	487,076
Interest received	2,714	15,043
<b>Net cash from investing activities</b>	<b>31,667</b>	<b>322,371</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	5,893,392	12,860,832
Redemption of convertible loan	-	(3,261,000)
Interest paid	-	(1,385)
<b>Net cash used in financing activities</b>	<b>5,893,392</b>	<b>9,598,447</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,189,742</b>	<b>5,099,506</b>
Cash and cash equivalents at beginning of year	5,676,323	576,817
<b>Cash and cash equivalents at the end of year</b>	<b>6,866,065</b>	<b>5,676,323</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,866,065	5,676,323
	<b>6,866,065</b>	<b>5,676,323</b>

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 Ramsey House, 10 St Ebbes Street, Oxford, OX1 1 PT.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Going concern**

The Company is still at a relatively early stage in the development and commercialisation of its product portfolio. As has been the case in the current year, and as will be the case going forward, the Company continues to expand and focus on product development, sales and marketing and as such its cash outflows outweigh its income. The company therefore generated a loss of £4,855,954 in the current year. The Company had cash of £6,866,065 at the year end.

The Company updates business projections and cash forecasts on a regular basis. These projections at a minimum forecast business performance and cash flow for periods in excess of 12 months from the date of signing of these accounts, in which the forecast is being made on a best case, expected case and downside case basis. Management takes into account the sales pipeline at an advanced stage of discussions in determining the forecast growth rate.

The Company is currently in the process of raising the next round of equity capital and expects to do so within 4 weeks from the date of signing these accounts through the exercise of an option held by its investors and agreed at the previous fundraise. Should this not occur the Company still has time to raise further equity through an alternative route.

On this basis and on having reviewed the income statement and cash flow forecasts prepared by management, the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors consider that in preparing the financial statements they have taken into account all information currently available. At the date of signing these accounts there remains a material uncertainty which casts significant doubt over the Company's ability to continue as a going concern, due to the need for additional funding required to continue operations for 12 months from the date of signing the accounts.

**2.3 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue, which excludes value added tax is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the activities as described below.

**Rendering of services**

Revenues for software license and services agreements are recognised on a straight line basis over the period of the agreement. Where professional services are provided for development, integration, set up or training, the revenues are recognised on delivery of the professional services.

**Resale of goods and services**

Revenue from the sale of goods and services provided by third parties are recognised when the Company has transferred the significant risks and rewards of ownership of goods to the buyer or when the services are provided by the third party. Should those services be provided by a third party provider on a time basis then revenue is also recognized on the same time basis.

**2.5 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.9 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to 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 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 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.

**2.10 Taxation**

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 balance sheet date in the countries where the Company operates and generates income.

**2.11 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.

**2.12 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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:

Leasehold improvements	- over the length of the lease
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 profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 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.

2.15 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 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 ordinary shares.

3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Services	1,257,869	353,225
Goods	25,102	53,249
	<u>1,282,971</u>	<u>406,474</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	1,073,812	406,474
Rest of Europe	45,938	-
Rest of the World	163,221	-
	<u>1,282,971</u>	<u>406,474</u>

4. Other operating income

	2021 £	2020 £
Government grants receivable	181,887	487,076
R&D tax credit under the RDEC scheme	-	86,808
	<u>181,887</u>	<u>573,884</u>

5. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £17,000 (2020 - Nil).

NAVENIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Employees

	2021 £	2020 £
Wages and salaries	3,991,525	3,624,928
Social security costs	446,756	397,270
Cost of defined contribution pension scheme	157,591	143,017
	<u>4,595,872</u>	<u>4,165,215</u>

The average monthly number of employees, including directors, during the year was 64 (2020 - 60).

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	421,218	341,023
	<u>421,218</u>	<u>341,023</u>

The highest paid director received remuneration of £228,942 (2020 - £221,267).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

8. Interest receivable

	2021 £	2020 £
Other interest receivable	2,714	15,043
	<u>2,714</u>	<u>15,043</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Other interest payable	-	1,385
	<u>-</u>	<u>1,385</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(275,799)	(287,791)
<b>Total current tax</b>	<u>(275,799)</u>	<u>(287,791)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	1,005,250
<b>Total deferred tax</b>	<u>-</u>	<u>1,005,250</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(275,799)</u>	<u>717,459</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(5,131,753)</u>	<u>(4,825,796)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(975,033)	(916,901)
<b>Effects of:</b>		
Fixed asset differences	(3,210)	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,621	2,814
Other permanent differences	(570)	293
Additional deduction for R&D expenditure	(204,265)	(225,363)
Surrender of tax losses for R&D tax credit refund	361,392	94,433
Adjustments to tax charge in respect of previous periods - deferred tax	-	26
RDEC notional tax	-	16,494
Remeasurement of deferred tax for changes in tax rates	(854,367)	(118,262)
SME tax credit	(275,799)	-
Reversal of deferred tax asset deemed irrecoverable	1,674,432	1,863,925
<b>Total tax charge for the year</b>	<u>(275,799)</u>	<u>717,459</u>

The company has not recognised a deferred tax asset on the losses incurred. The company's losses available for tax relief against future profits are £13,954,692 at the year end (2020: £9,679,020).

NAVENIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Intangible assets

	IP costs £	Website costs £	Total £
<b>Cost</b>			
At 1 January 2021	236,011	4,250	240,261
Additions	99,255	-	99,255
At 31 December 2021	335,266	4,250	339,516
<b>Amortisation</b>			
At 1 January 2021	7,883	885	8,768
Charge for the year on owned assets	11,570	425	11,995
At 31 December 2021	19,453	1,310	20,763
<b>Net book value</b>			
At 31 December 2021	315,813	2,940	318,753
At 31 December 2020	228,128	3,365	231,493

NAVENIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	69,387	3,257	72,548	271,027	416,219
Additions	-	-	1,506	56,329	57,835
Disposals	-	-	-	(2,261)	(2,261)
At 31 December 2021	69,387	3,257	74,054	325,095	471,793
<b>Depreciation</b>					
At 1 January 2021	35,223	3,217	57,209	157,993	253,642
Charge for the year on owned assets	19,824	40	13,125	70,373	103,362
Disposals	-	-	-	(293)	(293)
At 31 December 2021	55,047	3,257	70,334	228,073	356,711
<b>Net book value</b>					
At 31 December 2021	14,340	-	3,720	97,022	115,082
At 31 December 2020	34,164	40	15,339	113,034	162,577



NAVENIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	20,070	35,310
	<u>20,070</u>	<u>35,310</u>

14. Debtors

	2021 £	As restated 2020 £
Trade debtors	266,829	173,396
Other debtors	104,512	159,441
Prepayments and accrued income	328,468	431,995
Tax recoverable	275,799	374,599
	<u>975,608</u>	<u>1,139,431</u>

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	6,866,065	5,676,323
	<u>6,866,065</u>	<u>5,676,323</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	50,800	37,199
Other taxation and social security	151,130	137,937
Other creditors	22,764	20,548
Accruals and deferred income	854,994	870,998
	<u>1,079,688</u>	<u>1,066,682</u>

NAVENIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
296,704 (2020 - 295,640) Ordinary shares of £0.01 each	2,967	2,956
345,915 (2020 - 224,782) Series A shares of £0.01 each	3,459	2,248
6,280 (2020 - 6,280) Growth shares of £0.01 each	63	63
10,000 (2020 - nil) B Growth shares of £0.01 each	100	-
10,000 (2020 - nil) C Growth shares of £0.01 each	100	-
9,000 (2020 - nil) D Growth shares of £0.01 each	90	-
	<hr/>	<hr/>
	<b>6,779</b>	<b>5,267</b>

On 25 March 2021 133 Ordinary shares of £0.01 each were issued for a total consideration of £837.90. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 22 April 2021 10,000 B Growth shares of £0.01 each were issued for a total consideration of £100. B Growth shares carry one vote per share at all general meetings of the company and on proposed written resolutions of the company.

On 6 May 2021 40 Ordinary shares of £0.01 each were issued for a total consideration of £40. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 2 August 2021 807 Ordinary shares of £0.01 each were issued for a total consideration of £2,574.33. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 28 October 2021 84 Ordinary shares of £0.01 each were issued for a total consideration of £84. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 21 December 2021 116,422 Series A shares of £0.01 each were issued for a total consideration of £5,937,522. Series A shares have full voting rights, full rights in the distribution of dividends, non-participating preference rights in the distribution of capital (including on winding up), anti-dilution rights on a further issue of shares and the right to convert into Ordinary shares.

On 21 December 2021 4,711 Series A shares of £0.01 each were issued for a total consideration of £47.11. Series A shares have full voting rights, full rights in the distribution of dividends, non-participating preference rights in the distribution of capital (including on winding up), anti-dilution rights on a further issue of shares and the right to convert into Ordinary shares.

On 21 December 2021 10,000 C Growth shares of £0.01 each were issued for a total consideration of £100. C Growth shares carry one vote per share at all general meetings of the company and on proposed written resolutions of the company.

On 21 December 2021 9,000 D Growth shares of £0.01 each were issued for a total consideration of £90. D Growth shares carry one vote per share at all general meetings of the company and on proposed written resolutions of the company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**18. Share based payments**

The company operates an EMI share option scheme for staff and an unapproved option scheme for employees and consultants not eligible under the EMI scheme. During the year no share options were issued under either scheme. The directors having considered recognising a charge in respect of share based payments agreed that any such charge is not material to the accounts and therefore it has not been included.

**19. Prior year adjustment**

During the year a prior year adjustment has been made as the directors consider that it is appropriate to reverse the prior year deferred tax asset provision, as they became aware that it is unlikely the tax losses will be utilised in the near future therefore the provision is no longer applicable. The impact of this adjustment is to reduce the prior year deferred tax asset and movement by £1,863,925.

**20. 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 £157,591 (2020 - £143,017). Contributions totalling £22,764 (2020 - £20,548) were payable to the fund at the balance sheet date and are included in creditors.

**21. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	129,649	163,767
Later than 1 year and not later than 5 years	-	129,649
	<u>129,649</u>	<u>293,416</u>

NOTES TO THE FINANCIAL STATEMENTS  
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**22. Related party transactions**

**Entities with control, joint control, or significant influence**

IP2IPO Services Limited provided director services to the Company during the year of £nil (2020: £1,250), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder, IP2IPO Portfolio (GP) Limited.

Oxford Sciences Enterprises plc provided director services to the Company during the year of £nil (2020: £1,250), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder, Oxford Sciences Enterprises plc. Oxford Sciences Enterprises invoiced the Company £40,000 for legal fees associated with the Series A fundraising in the period. There was no balance outstanding at the year end.

Oxford Investment Consultants Ltd provided director services to the Company during the year of £nil (2020: £1,250), there was no outstanding balance at the year end. These services were provided by virtue of the relationship with the shareholder, TT Nominees Limited.

The Company paid licence fees to Oxford University Innovation during the year of £21,114 (2020: £24,011) A balance of £17,151 was outstanding at year end. Oxford University Innovation is connected to The Chancellor, Masters and Scholars of the University of Oxford, a shareholder of the company

Oxford University Innovation also provided IP protection services on behalf of the Company charging £66,885 (2020: £81,949) for the services provided.

**Key management personnel**

Dr A Trigoni is one of the inventors of the technology under which licence fees are due and thereby benefits from such royalties paid to Oxford University Innovation. Dr A Trigoni, a part time employee and director of the Company, is also a part time employee of the University.

Key management personnel compensation in the year totalled £421,218 (2020: £341,027), see note 7. Included in the compensation were non-executive director fees totalling £55,350 (2020: £10,000) paid to M P Moran.

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

**23. Controlling party**

The directors believe there is no one ultimate controlling party.

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