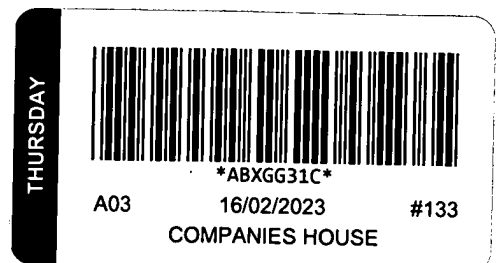


Registered number: 10873661

## **NEW VECTOR LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**



---

**NEW VECTOR LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	J Batiz-Benet M Hodgson A Le Pape J C White C Bennetts H C Mason M S Freidman
<b>Registered number</b>	10873661
<b>Registered office</b>	10 Queen Street Place London EC4R 1AG
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

---

**NEW VECTOR LIMITED**

---

**CONTENTS**

---

	Page
<b>Group Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditors' Report</b>	<b>5 - 7</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>8</b>
<b>Consolidated Statement of Financial Position</b>	<b>9</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>11</b>
<b>Company Statement of Changes in Equity</b>	<b>12</b>
<b>Consolidated Statement of Cash Flows</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 29</b>

---

## **NEW VECTOR LIMITED**

---

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022**

---

#### **Introduction**

The principal business activity of New Vector Limited ("New Vector" or "the Company"), together with its subsidiaries ("Element" or "the Group") is the development and sale of Element Software which is an end-to-end encrypted messenger and secure collaboration app built on the Matrix Protocol ("Matrix"). The group primarily serves public sector and enterprise customers. The Group expects this to continue to be the principal activity of the business for the foreseeable future.

#### **Business review**

Element's revenue has increased to \$8.8m in 2022 (2021: \$4.4m) this revenue growth was driven both by an increase in revenues from existing customers in the year as well as the addition of new customers.

During the year, the Group has continued to invest in developing its core technology and expanding its customer base across the UK, Europe and the USA. To support this growth Element increased the size of its team to 156 full-time employees as of 30 June 2022 (2021: 75).

Administrative expenses in the year were \$17.7m (2021: \$10.9m). This increase in cost base was primarily driven by the increased headcount as Element continued to scale-up the business and invest in continued development of the software offering.

At 30 June 2022 the Group's net assets were \$18.4m (2021: \$5.1m) with a loss for the financial year of \$13.7m (2021: \$7.1m).

During the year, the Company raised \$29.8m of equity in Series B funding from existing and new investors.

#### **Principal risks and uncertainties**

The Principal risks for Element are financial losses or other material adverse impacts on our ability to scale the business arising from;

##### **Competition**

We face competition from other software companies developing communications software on Matrix, the pressure from this competition is increased due to Matrix being an open-source protocol. As a Company we are focused on the continued innovation and enhancement of our product offering in order to maintain our market-leading position in light of increasing competition in the market.

##### **Reduced Adoption of Matrix in the Market**

Whilst the appeal of our product offering is primarily based on the quality, security and resilience of the software it is also supported by the widespread market adoption of Matrix which allows us to leverage the unique interoperability of our product. Should the market trend against Matrix adoption this could have an impact on our growth potential, although the impact on the Company's core ongoing operations would be limited.

##### **Critical Supplier Dependencies**

Our ability to provide our products and services could be negatively impacted by interruption or failure of services provided by certain key third-party infrastructure partners, primarily server hosts. Interruption to our service as a result of such events could harm our reputation and operating results.

##### **Recruitment & Retention of Talent**

As a Company we rely on having a team of highly capable and specialised engineering personnel to continue to develop and improve our product offering. If we were unable to recruit and retain these individuals this could harm our business performance.

---

**NEW VECTOR LIMITED**

---

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**Financial key performance indicators**

The Company monitors performance using the following financial metrics;

- Turnover - \$8.8m in 2022 (2021: \$4.4m)
- Gross Profit - \$4.8m (2021: \$2.1m)
- Operating Loss - \$13.7m (2021: \$7.1m)

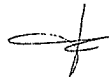
The key financial performance indicators together with other financial performance indicators and non-financial key performance indicators are monitored by management on a regular basis

**Other key performance indicators**

As outlined above the Company monitors performance using a number of non-financial key performance indicators such as;

- Employee Retention
- Development Progress vs Roadmap

This report was approved by the board on 10 February 2023 and signed on its behalf.



**A Le Pape**  
Director

---

## **NEW VECTOR LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022**

---

The directors present their report and the financial statements for the year ended 30 June 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 \$13,739,900 (2021 - loss \$7,087,637).

The Group have presented their first year of consolidated financial statements, including comparatives, for the years ending 30 June 2022 due to the Group's gross balance sheet total and average number of employees exceeding the small group thresholds.

#### **Directors**

The directors who served during the year were:

J Batiz-Benet (appointed 19 July 2021)  
M Hodgson  
A Le Pape  
J C White  
C Bennetts (resigned 19 July 2021)  
H C Mason (resigned 19 July 2021)  
M S Freidman (resigned 19 July 2021)

#### **Future developments**

New Vector Limited is continuing to focus on the development and sale of Element Software to public sector and enterprise customers and enhancing the product offering in order to maintain our market leading position and gain customers in new sectors.

---

**NEW VECTOR LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**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 and the Group'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 and the Group's auditors are aware of that information.

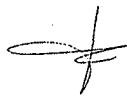
**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 February 2023 and signed on its behalf.



A Le Pape  
Director

---

**NEW VECTOR LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW VECTOR LIMITED**

---

**Opinion**

We have audited the financial statements of New Vector Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group 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 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 Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's 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 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.



---

**NEW VECTOR LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW VECTOR LIMITED (CONTINUED)**

---

**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.

**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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW VECTOR 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 Auditors' 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:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with - Laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 Auditors' Report.

**Other matters**

In the previous accounting period, the directors of the Group took advantage of the audit exemption under s477 of the Companies Act. Therefore, the prior period financial statements were not subject to audit.

**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.



Jon Dawson (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

10 Queen Street Place  
London  
EC4R 1AG

Date: 13 February 2023

---

**NEW VECTOR LIMITED**

---

---

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

---

		2022 \$	Unaudited 2021 \$
Turnover	3	8,754,543	4,421,639
Cost of sales		(3,996,965)	(2,341,267)
<b>Gross profit</b>		<u>4,757,578</u>	<u>2,080,372</u>
Distribution costs		(670,590)	(497,639)
Administrative expenses		(17,633,906)	(8,618,816)
Other operating income	4	-	4,022
<b>Operating loss</b>		<u>(13,546,918)</u>	<u>(7,032,061)</u>
Interest receivable and similar income	9	7,631	111
<b>Loss before tax</b>		<u>(13,539,287)</u>	<u>(7,031,950)</u>
Tax on loss	10	(200,613)	(55,687)
<b>Loss for the financial year</b>		<u>(13,739,900)</u>	<u>(7,087,637)</u>
<b>Loss for the year attributable to:</b>			
Owners of the parent company		13,739,900	7,087,637
		<u>13,739,900</u>	<u>7,087,637</u>
<b>Total comprehensive income attributable to:</b>			

The notes on pages 14 to 29 form part of these financial statements.

**NEW VECTOR LIMITED**  
**REGISTERED NUMBER: 10873661**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 \$	Unaudited 2021 \$
<b>Fixed assets</b>			
Intangible assets	11	78,040	104,307
Tangible assets	12	262,030	113,908
		<u>340,070</u>	<u>218,215</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	4,945,803	2,308,128
Cash at bank and in hand	15	18,244,896	4,690,630
		<u>23,190,699</u>	<u>6,998,758</u>
Creditors: amounts falling due within one year		<u>(5,239,328)</u>	<u>(2,134,007)</u>
<b>Net current assets</b>		<u>17,951,371</u>	<u>4,864,751</u>
<b>Total assets less current liabilities</b>		<u>18,291,441</u>	<u>5,082,966</u>
<b>Net assets</b>		<u><u>18,291,441</u></u>	<u><u>5,082,966</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,311	2,797
Share premium account	18	46,713,856	16,914,895
Foreign exchange reserve	18	(1,367,048)	1,542,589
Other reserves	18	143,767	85,230
Profit and loss account	18	(27,202,445)	(13,462,545)
		<u>18,291,441</u>	<u>5,082,966</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
10 February 2023.



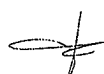
**A Le Pape**  
Director

The notes on pages 14 to 29 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	Note	2022 \$	Unaudited 2021 \$
<b>Fixed assets</b>			
Intangible assets	11	78,040	104,307
Tangible assets	12	179,125	75,995
Fixed asset investments	13	36,518	12,340
		<u>293,683</u>	<u>192,642</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	3,242,005	3,575,821
Cash at bank and in hand	15	17,609,805	3,566,140
		<u>20,851,810</u>	<u>7,141,961</u>
Creditors: amounts falling due within one year		(3,745,479)	(3,111,244)
<b>Net current assets</b>		<u>17,106,331</u>	<u>4,030,717</u>
<b>Total assets less current liabilities</b>		<u>17,400,014</u>	<u>4,223,359</u>
<b>Net assets</b>		<u><u>17,400,014</u></u>	<u><u>4,223,359</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	3,311	2,797
Share premium account	18	46,713,856	16,914,895
Foreign exchange reserve	18	(1,236,134)	1,479,850
Other reserves	18	143,767	85,230
Profit and loss account brought forward		(14,259,413)	(6,984,380)
Loss for the year		(13,965,373)	(7,275,033)
Profit and loss account carried forward		<u>(28,224,786)</u>	<u>(14,259,413)</u>
		<u><u>17,400,014</u></u>	<u><u>4,223,359</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
10 February 2023.



**A Le Pape**  
Director

The notes on pages 14 to 29 form part of these financial statements.

NEW VECTOR LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital \$	Share premium account \$	Foreign exchange reserve \$	Share based payment reserve \$	Profit and loss account \$	Total equity \$
<b>At 1 July 2020 unaudited</b>	2,797	16,914,895	27,947	36,969	(6,374,908)	10,607,700
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(7,087,637)	(7,087,637)
Share based payment charge	-	-	-	48,261	-	48,261
Movement in foreign exchange	-	-	1,514,642	-	-	1,514,642
<b>At 1 July 2021 unaudited</b>	2,797	16,914,895	1,542,589	85,230	(13,462,545)	5,082,966
Loss for the year	-	-	-	-	(13,739,900)	(13,739,900)
Shares issued during the year	514	29,798,961	-	-	-	29,799,475
Movement in foreign exchange	-	-	(2,909,637)	-	-	(2,909,637)
Share based payment charge	-	-	-	58,537	-	58,537
<b>At 30 June 2022</b>	3,311	46,713,856	(1,367,048)	143,767	(27,202,445)	18,291,441

The notes on pages 14 to 29 form part of these financial statements.

**NEW VECTOR LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital \$	Share premium account \$	Foreign exchange reserve \$	Share based payment reserve \$	Profit and loss account \$	Total equity \$
<b>At 1 July 2020 unaudited</b>	2,797	16,914,895	120,895	36,969	(6,984,380)	10,091,176
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(7,275,033)	(7,275,033)
Share based payment charge	-	-	-	48,261	-	48,261
Movement in foreign exchange	-	-	1,358,955	-	-	1,358,955
<b>At 1 July 2021 unaudited</b>	2,797	16,914,895	1,479,850	85,230	(14,259,413)	4,223,359
Loss for the year	-	-	-	-	(13,965,373)	(13,965,373)
Shares issued during the year	514	29,798,961	-	-	-	29,799,475
Movement in foreign exchange	-	-	(2,715,984)	-	-	(2,715,984)
Share based payment charge	-	-	-	58,537	-	58,537
<b>At 30 June 2022</b>	3,311	46,713,856	(1,236,134)	143,767	(28,224,786)	17,400,014

The notes on pages 14 to 29 form part of these financial statements.

---

**NEW VECTOR LIMITED**

---

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

	2022 \$	2021 \$
<b>Cash flows from operating activities</b>		
Loss for the financial year	(13,739,900)	(7,087,637)
<b>Adjustments for:</b>		
Amortisation of intangible assets	26,267	13,893
Depreciation of tangible assets	79,688	54,508
Interest received	(7,631)	(111)
Taxation charge	200,613	55,687
Increase in debtors	(2,708,031)	(1,532,619)
Increase in creditors	3,023,673	1,378,864
Corporation tax paid	(32,470)	(25,212)
Share based payment charge	58,537	48,261
R&D tax credit	-	554,970
<b>Net cash generated from operating activities</b>	<b>(13,099,254)</b>	<b>(6,539,396)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(113,741)
Purchase of tangible fixed assets	(227,810)	(101,766)
Interest received	7,631	111
Acquisition of shares in newly incorporated subsidiaries	(24,178)	-
<b>Net cash from investing activities</b>	<b>(244,357)</b>	<b>(215,396)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	29,799,475	-
Effect of foreign exchange rates	(2,901,598)	1,514,589
<b>Net cash used in financing activities</b>	<b>26,897,877</b>	<b>1,514,589</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,554,266</b>	<b>(5,240,203)</b>
Cash and cash equivalents at beginning of year	4,690,630	9,930,833
<b>Cash and cash equivalents at the end of year</b>	<b>18,244,896</b>	<b>4,690,630</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	18,244,896	4,690,630
	<b>18,244,896</b>	<b>4,690,630</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**1. General information**

New Vector Limited is a private limited company, incorporated in the United Kingdom and registered in England and Wales, registered number 10873661. The registered office address is 10 Queen Street Place, London, EC4R 1AG.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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.

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 opening balances of the current year ended 30 June 2022 financial statements are consolidated. The financial statements for the year ended 30 June 2021 included single entity results only, given that the Group had not breached the thresholds required for the production of consolidated accounts. As such, the opening balances for the current year financial statements include all adjustments necessary to present the comparative consolidated position of the Group.

**2.3 Going concern**

As at the period end the group had net assets of \$18,367,492. The financial statements have been prepared on the going concern basis. An evaluation of New Vector Limited's ability to continue as a going concern was completed, considering conditions and events that are relevant to the entity's ability to meet its obligations as they become due during the assessment period. Based on the director's assessment of the Company's ability to continue as a going concern it has been concluded there are no material uncertainties that cast significant doubt about the company's ability to continue as a going concern for 12 months from the date of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional currency is GBP. This differs from the presentational currency which is USD. The reason for the difference is that the directors have chosen to report to shareholders in USD. In the year ended 30 June 2021 the financial statements were presented in GBP. The prior year balances have been restated to USD in the current year consolidated financial statements.

**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.

On consolidation, the results of overseas operations are translated into Dollars 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.

**2.5 Revenue**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**2. Accounting policies (continued)**

**2.6 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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years. There has been no capitalisation of development costs during the periods presented within these financial statements.

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.

**2.7 Interest income**

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

**2.8 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.9 Share based payments**

The Group issues employee equity settled stock options. The share based payment expense is recorded over the vesting period of the options based on the fair value of the options at grant date. The fair value of the share options are determined utilising the Black-Scholes valuation model, which takes into account the fair value of the underlying shares and the conditions attached to the vesting and exercise of the equity instruments. The fair value of the underlying shares is an estimate which involves management applying significant judgement, taking into consideration a number of factors including recent equity transactions. The fair value of the underlying shares may differ to the estimated value which could have a significant impact on the share based payment expense charge recognised.

**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 reporting date in the countries where the Company and the Group operate and generate income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**2. Accounting policies (continued)**

**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.

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:

Office equipment	- 3 years straight line
Computer equipment	- 3 years straight line

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 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Debtors**

Short-term debtors are measured at transaction price, 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.

**2.16 Creditors**

Short-term creditors are measured at the transaction price.

**2.17 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.

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**2. Accounting policies (continued)****2.17 Financial instruments (continued)****3. Turnover**

	2022 \$	2021 \$
Provision of services	8,754,543	4,421,639

Analysis of turnover by country of destination:

	2022 \$	2021 \$
United Kingdom	4,343,261	1,478,015
Rest of Europe	4,131,542	2,943,624
Rest of the world	279,740	-

**4. Other operating income**

	2022 \$	2021 \$
Other operating income	-	4,022

**5. Operating loss**

The operating loss is stated after charging:

	2022 \$	2021 \$
Exchange differences	26,985	10,877
Depreciation	79,688	54,508
Share based payment	58,537	48,261

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**6. Auditors' remuneration**

During the year, the Group obtained the following services from the Company's auditors:

	2022 \$	2021 \$
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	29,000	-

**7. Employees**

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

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Wages and salaries	12,867,378	8,729,088	9,570,444	7,929,796
Social security costs	2,008,774	835,729	1,431,084	622,243
Pension costs	477,856	201,790	259,853	128,617
	<u>15,354,008</u>	<u>9,766,607</u>	<u>11,261,381</u>	<u>8,680,656</u>

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

	2022 No.	2021 No.
Employees	<u>128</u>	<u>62</u>

**8. Directors' remuneration**

	2022 \$	2021 \$
Directors' emoluments	<u>401,135</u>	<u>350,244</u>

The highest paid director received remuneration of \$200,000 (2021 - \$187,500).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,800 (2021 - \$6,000).

---

**NEW VECTOR LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**9. Interest receivable**

	2022 \$	2021 \$
Other interest receivable	7,631	111

**10. Taxation**

	2022 \$	2021 \$
<b>Corporation tax</b>		
Current tax on profits for the year	200,613	55,687
	<u>200,613</u>	<u>55,687</u>
<b>Total current tax</b>	<u>200,613</u>	<u>55,687</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>200,613</u>	<u>55,687</u>

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**10. 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	(13,539,287)	(7,031,950)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,572,465)	(1,336,071)
Effects of:		
Fixed asset differences	(5,731)	10,707
Expenses not deductible for tax purposes	82,472	69,080
Adjustment to brought forward values	220,162	(643,648)
Adjustment to losses	(226,387)	-
Remeasurement of deferred tax for changes in tax rates	(828,866)	(648,554)
Current tax (prior period) exchange differences arising on movement between opening and closing spot rates	77,365	(14,137)
Movement in deferred tax not recognised	3,454,063	2,618,310
<b>Total tax charge for the year</b>	<b>200,613</b>	<b>55,687</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.



---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**11. Intangible assets****Group and Company**

	Intellectual Property \$	Domain Name \$	Total \$
<b>Cost</b>			
At 1 July 2021	99,652	27,023	126,675
At 30 June 2022	99,652	27,023	126,675
<b>Amortisation</b>			
At 1 July 2021	16,976	5,392	22,368
Charge for the year on owned assets	20,468	5,799	26,267
At 30 June 2022	37,444	11,191	48,635
<b>Net book value</b>			
At 30 June 2022	62,208	15,832	78,040
At 30 June 2021	82,676	21,631	104,307

---

**NEW VECTOR LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**12. Tangible fixed assets****Group**

	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
<b>Cost or valuation</b>				
At 1 July 2021	13,108	36,766	208,938	258,812
Additions	27,905	11,881	188,024	227,810
Disposals	-	(15,035)	(1,607)	(16,642)
At 30 June 2022	41,013	33,612	395,355	469,980
<b>Depreciation</b>				
At 1 July 2021	1,878	19,908	123,118	144,904
Charge for the year on owned assets	5,769	7,615	66,304	79,688
Disposals	-	(15,035)	(1,607)	(16,642)
At 30 June 2022	7,647	12,488	187,815	207,950
<b>Net book value</b>				
At 30 June 2022	33,366	21,124	207,540	262,030
At 30 June 2021	11,230	16,858	85,820	113,908

---

**NEW VECTOR LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**12. Tangible fixed assets (continued)****Company**

	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
<b>Cost or valuation</b>				
At 1 July 2021	-	23,716	173,892	197,608
Additions	27,905	11,881	118,667	158,453
Disposals	-	(15,035)	(1,607)	(16,642)
At 30 June 2022	27,905	20,562	290,952	339,419
<b>Depreciation</b>				
At 1 July 2021	-	15,912	105,701	121,613
Charge for the year on owned assets	3,674	4,211	47,438	55,323
Disposals	-	(15,035)	(1,607)	(16,642)
At 30 June 2022	3,674	5,088	151,532	160,294
<b>Net book value</b>				
At 30 June 2022	24,231	15,474	139,420	179,125
At 30 June 2021	-	7,804	68,191	75,995

---

**NEW VECTOR LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**13. Fixed asset investments****Company**

	Investments in subsidiary companies \$
<b>Cost or valuation</b>	
At 1 July 2021	12,340
Additions	24,178
At 30 June 2022	<u>36,518</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Holding</b>
Element Software SARL	16 Esplanade du Champs de Mars, 35000 Rennes	100%
Element Software GmbH	Breckheimer Karrenbock Rechtsanwälte, Partnerschaftsgesellscha ft mbB, Düsseldorf	100%
Element Software Inc	Element Software Inc., 1209 Orange Street, City of Wilmington, Delaware 19801	100%

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**14. Debtors**

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Trade debtors	1,360,908	1,106,338	379,788	276,336
Amounts owed by group undertakings	-	-	199,111	2,423,528
Other debtors	594,522	216,712	489,638	178,657
Prepayments and accrued income	2,487,743	331,705	1,670,839	43,927
Tax recoverable	502,630	653,373	502,629	653,373
	<u>4,945,803</u>	<u>2,308,128</u>	<u>3,242,005</u>	<u>3,575,821</u>

**15. Cash and cash equivalents**

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Cash at bank and in hand	<u>18,244,896</u>	<u>4,690,630</u>	<u>17,609,805</u>	<u>3,566,140</u>

**16. Creditors: Amounts falling due within one year**

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Trade creditors	653,281	424,201	389,360	353,343
Amounts owed to group undertakings	-	-	30,936	1,364,050
Corporation tax	81,653	-	-	-
Other taxation and social security	548,296	354,189	349,504	184,651
Other creditors	5,944	15,531	5,944	15,412
Accruals and deferred income	3,950,154	1,340,086	2,969,735	1,193,788
	<u>5,239,328</u>	<u>2,134,007</u>	<u>3,745,479</u>	<u>3,111,244</u>

**17. Share capital**

	2022 \$	2021 \$
<b>Allotted, called up and fully paid</b>		
272,309 (2021 - 201,764) Ordinary shares of £0.01 each	<u>3,311</u>	<u>2,797</u>

---

**NEW VECTOR LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**17. Share capital (continued)**

During the year the company issued 22,600 Ordinary stock warrants and 124 share options were exercised with a nominal value of £0.01 per share. 47,816 Series B shares were issued for a total consideration of \$29,799,475.

**18. Reserves****Share premium account**

Includes any premiums received by the company on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Other reserves**

As at 30 June 2022 other reserves represents the cumulative balance recognised as charges under the Company's share option scheme of \$143,767 (2021: \$85,230).

**Profit and loss account**

Includes all current and prior period retained profits and losses.

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**19. Share based payments**

The group operates an Enterprise Management Incentive Scheme and a non Enterprise Management Incentive Scheme for the purpose of incentivising key members of staff.

All share options issued by the company are valued at the fair value at the grant date. As at the date of the grant, management have considered the likelihood of vesting conditions being met. Based on these, management have adjusted the number of equity instruments expected to vest. The share based remuneration expense for the period ended 30 June 2022 was \$58,537 (2021: \$48,261).

	Weighted average exercise price (dollars) 2022	Number 2022	Weighted average exercise price (dollars) 2021	Number 2021
Outstanding at the beginning of the year		24,757		21,515
Granted during the year	22	7,288	25	3,242
<b>Outstanding at the end of the year</b>		<b>32,045</b>		<b>24,757</b>

	2022 Black Scholes	2021 Black Scholes
Option pricing model used		
Weighted average share price (dollars)	22	25
Weighted average contractual life (months)	36	36
Expected volatility	64%	64%
Risk-free interest rate	0.72%	0.33%

**20. Contingent liabilities**

The Company has a contingent liability relating to an external commission arrangement in place. Under this agreement \$900k is payable to a third-party for revenue referrals based on future revenue for historic customer introductions being realised. As this amount will not be due to third-party if the revenue is not realised and there is uncertainty regarding this future event, the Company has not provided for this amount within the financial statements.

---

**NEW VECTOR LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

---

**21. Pension commitments**

The Group operates a defined contributions 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 \$477,855 (2021 - \$201,805). Contributions totalling \$125,521 (2021 - \$64,894) were payable to the fund at the reporting date and are included in creditors.

**22. Commitments under operating leases**

At 30 June 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	154,146	175,461	121,126	138,091
Later than 1 year and not later than 5 years	162,944	322,757	30,862	173,276
Later than 5 years	71,016	117,741	-	-
	<u>388,106</u>	<u>615,959</u>	<u>151,988</u>	<u>311,367</u>

**23. Related party transactions**

The entities within the group transact with each other in the regular course of business in line with the terms of the transfer pricing arrangements in place. Transactions and balances relating to these arrangements have been eliminated for the purposes of consolidation. Additionally the Company provides a line of credit to each subsidiary entity, at an interest rate of Libor +2%.

**24. Post balance sheet events**

Subsequent to year-end the Company issued 13,944 stock options to employees which vest over 4 years.

**25. Controlling party**

The directors are of the opinion that there is no one ultimate Controlling Party.