

Company registration number 07902511 (England and Wales)



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

Helping you prosper

**TRAKCEL LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr J M Mackowski Mr R Nalliah Ms J Welsh Dr F N Hallett Withey
<b>Company number</b>	07902511
<b>Registered office</b>	10-11 Raleigh Walk Waterfront 2000 Brigantine Place Cardiff CF10 4LN
<b>Auditor</b>	UHY Hacker Young Bradbury House Mission Court Newport Gwent United Kingdom NP20 2DW

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**TRAKCEL LIMITED**

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## **TRAKCEL LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Fair review of the business**

The loss for the financial year and the financial position of the Company at the year-end are shown in the annexed financial statements.

The Company improved its performance over prior year and finished the year with an increase in revenue and gross profit and a reduced loss for the year of £2,419k (2021: £3,729k). At the end of the year the company had net assets of £8,445k (2021: £4,845k).

During the year, TrakCel Limited received a capital contribution of \$7,299k (£5,911k) from the Parent Company, being the amount owed to the Parent Company at the date of the contribution. The contribution has been reflected as a credit to reserves.

The Cell & Gene Therapy (CGT) industry continues to experience significant growth in the number of clinical trials and commercialised therapies. This greatly increases the demand for cell orchestration platforms that can allow companies to manage their complex supply chain requirements.

The Company's products and services continue to be well received by the CGT market and are attracting an increasing number of customers which further strengthens TrakCel's position as the leader in this field. Both OCELLIOS by TrakCel and OCELLIOS Lite are modular in design and provide the flexibility to be able to manage multiple types of these complex supply chains. The directors are confident that the Company is now well placed because of its market leading product and service offerings, to meet the rapidly evolving needs of the CGT industry.

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

##### **Price risk**

The Company is not particularly exposed to any specific pricing risks. Both revenue and purchase contracts are reviewed on a regular basis.

##### **Liquidity risk**

The Company is financed through capital contributions made by the parent company, TrakCel Holding Company, Inc. in addition to revenues raised through normal business activities. The directors monitor closely both current and future liquidity levels taking into consideration trading activity alongside funding requirements.

##### **Foreign exchange risk**

The Company is exposed to movements in exchange rates due to overseas trading and manage this through a combination of foreign bank accounts and hedging instruments.

##### **Key performance indicators**

The main KPIs used are performance versus budget and prior financial year for turnover, gross profit, EBITDA and those dealing with working capital management.

On behalf of the board

Dr F N Hallett Withey

**Director**

1 June 2023

## **TRAKCEL LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

TrakCel Limited is a market leading developer of integrated cell orchestration solutions. TrakCel has specifically designed these solutions to manage the international cell and gene therapy supply chains, enabling real-time control for all organisations working across the entire therapeutic value chain. The platform continues to evolve in collaboration with, and is increasingly adopted by, leading companies in the cell, gene and immunotherapy industries.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J M Mackowski

Mr R Nalliah

Mr P J Roberts

(Resigned 3 February 2022)

Ms J Welsh

Dr F N Hallett Withey

#### **Auditor**

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**TRAKCEL LIMITED**

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

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**Going concern**

At 31 December 2022, the Company had a cash equivalent position of £2,898k (2021: £145k) with no bank debt.

During the year, TrakCel Limited received a capital contribution of \$7,299k (£5,911k) from the Parent Company, being the amount owed to the Parent Company at the date of the contribution. The contribution has been reflected as a credit to reserves.

In 2022, TrakCel closed two extensions to the previous investment round which was wholly funded by existing investors for a total amount of \$12m. This amount has been received as share capital in the company's immediate parent, TrakCel Holding Company Inc (the "Parent Company"). TrakCel Limited has access to these funds to support its day to day operations by virtue of a parental letter of support. TrakCel Limited is the only subsidiary of the Parent Company. The Parent Company also have a letter of support from the main shareholder.

The Directors have prepared detailed monthly forecasts and projected cash flows for the remainder of the December 2023 financial year and for the full year ended December 2024. After due consideration, the Directors have concluded that based on their forecasts and the continued support of their main shareholder there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board

Dr F N Hallett Withey  
**Director**

1 June 2023

## **TRAKCEL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TRAKCEL LIMITED**

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#### **Opinion**

We have audited the financial statements of TrakCel Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2022 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 *Auditor's 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 UK, including the FRC'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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report<sup>4</sup>, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

## **TRAKCEL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF TRAKCEL LIMITED**

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#### **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 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, 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.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.



**TRAKCEL LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBER OF TRAKCEL LIMITED**

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

**Mr John Griffiths (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young**

1 June 2023

**Chartered Accountants**  
**Statutory Auditor**

Newport  
Gwent  
United Kingdom

**TRAKCEL LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	6,170,896	2,966,675
Cost of sales		(1,610,652)	(912,494)
<b>Gross profit</b>		4,560,244	2,054,181
Administrative expenses (including £nil (2021: £657,480) exceptional impairment (See note 10))		(7,546,911)	(6,110,204)
Other operating income	<b>3</b>	260,292	356,994
<b>Operating loss</b>	<b>4</b>	(2,726,375)	(3,699,029)
Interest payable and similar expenses	<b>7</b>	-	(18)
Fair value gains/(losses) on financial instruments	<b>8</b>	347,403	6,102
<b>Loss before taxation</b>		(2,378,972)	(3,692,945)
Tax on loss	<b>9</b>	(39,893)	(36,503)
<b>Loss for the financial year</b>		(2,418,865)	(3,729,448)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**TRAKCEL LIMITED**

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

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Loss for the year</b>	(2,418,865)	(3,729,448)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>(2,418,865)</u>	<u>(3,729,448)</u>

**TRAKCEL LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	<b>11</b>	5,166,332		4,597,425	
Tangible assets	<b>12</b>	78,879		59,430	
		<u>5,245,211</u>		<u>4,656,855</u>	
<b>Current assets</b>					
Debtors	<b>14</b>	2,087,217		1,176,086	
Cash at bank and in hand		2,898,303		144,757	
		<u>4,985,520</u>		<u>1,320,843</u>	
<b>Creditors: amounts falling due within one year</b>	<b>15</b>	<u>(1,785,901)</u>		<u>(1,132,922)</u>	
<b>Net current assets</b>			<u>3,199,619</u>		<u>187,921</u>
<b>Net assets</b>			<u><u>8,444,830</u></u>		<u><u>4,844,776</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>18</b>	4,562		4,562	
Share premium account	<b>19</b>	7,356,593		7,356,593	
Profit and loss reserves		1,083,675		(2,516,379)	
<b>Total equity</b>		<u><u>8,444,830</u></u>		<u><u>4,844,776</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 1 June 2023 and are signed on its behalf by:

Dr F N Hallett Withey  
**Director**

**Company Registration No. 07902511**

**TRAKCEL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2021</b>		4,562	7,356,593	(3,717,765)	3,643,390
<b>Year ended 31 December 2021:</b>					
Loss and total comprehensive income for the year		-	-	(3,729,448)	(3,729,448)
Credit to equity for equity settled share-based payments	17	-	-	25,361	25,361
Capital contribution from parent company	21	-	-	4,905,473	4,905,473
<b>Balance at 31 December 2021</b>		4,562	7,356,593	(2,516,379)	4,844,776
<b>Year ended 31 December 2022:</b>					
Loss and total comprehensive income for the year		-	-	(2,418,865)	(2,418,865)
Credit to equity for equity settled share-based payments	17	-	-	107,430	107,430
Capital contribution from parent company	21	-	-	5,911,489	5,911,489
<b>Balance at 31 December 2022</b>		4,562	7,356,593	1,083,675	8,444,830

**TRAKCEL LIMITED**

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

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	24	(17,291)	(1,864,447)
Interest paid		-	(18)
Income taxes refunded/(paid)		97,004	(192,122)
<b>Net cash inflow/(outflow) from operating activities</b>		79,713	(2,056,587)
<b>Investing activities</b>			
Purchase of intangible assets		(1,477,268)	(2,653,618)
Purchase of tangible fixed assets		(69,378)	(4,086)
Proceeds on disposal of tangible fixed assets		2,250	70
<b>Net cash used in investing activities</b>		(1,544,396)	(2,657,634)
<b>Financing activities</b>			
Capital contribution		4,218,229	3,950,009
<b>Net cash generated from financing activities</b>		4,218,229	3,950,009
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,753,546	(764,212)
Cash and cash equivalents at beginning of year		144,757	908,969
<b>Cash and cash equivalents at end of year</b>		2,898,303	144,757

## **TRAKCEL LIMITED**

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

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#### **1 Accounting policies**

##### **Company information**

TrakCel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10-11 Raleigh Walk Waterfront 2000, Brigantine Place, Cardiff, CF10 4LN.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At 31 December 2022, the Company had a cash equivalent position of £2,898k (2021: £145k) with no bank debt.

During the year, TrakCel Limited received a capital contribution of \$7,299k (£5,911k) from the Parent Company, being the amount owed to the Parent Company at the date of the contribution. The contribution has been reflected as a credit to reserves.

In 2022, TrakCel closed two extensions to the previous investment round which was wholly funded by existing investors for a total amount of \$12m. This amount has been received as share capital in the company's immediate parent, TrakCel Holding Company Inc (the "Parent Company"). TrakCel Limited has access to these funds to support its day to day operations by virtue of a parental letter of support. TrakCel Limited is the only subsidiary of the Parent Company. The Parent Company also have a letter of support from the main shareholder.

The Directors have prepared detailed monthly forecasts and projected cash flows for the remainder of the December 2023 financial year and for the full year ended December 2024. After due consideration, the Directors have concluded that based on their forecasts and the continued support of their main shareholder there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

##### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### **1.5 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

**TRAKCEL LIMITED**

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

**1 Accounting policies (Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years
Development costs	3 to 10 years
Assets under development	See below

Assets under development are stated at cost. These assets are not amortised until they become available for use.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	40% straight line
Fixtures and fittings	25% straight line and reducing balance
Computer equipment	33.33% straight line and reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



**TRAKCEL LIMITED**

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

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**1 Accounting policies**

**(Continued)**

**1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**TRAKCEL LIMITED**

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

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**1 Accounting policies**

**(Continued)**

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Other financial liabilities**

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**TRAKCEL LIMITED**

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

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**1 Accounting policies**

**(Continued)**

**1.12 Share-based payments**

Eligible employees may receive part of their remuneration for services provided to the company in the form of a share-based payment transaction by which they receive rights over shares in the ultimate parent company, TrakCel Holding Company Inc., by means of an equity settled transaction.

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

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

In the case of options granted, fair value is measured by a Black-Scholes pricing model.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**TRAKCEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****2 Judgements and key sources of estimation uncertainty (Continued)****Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

**Assets under development and development costs**

Assets under development are capitalised as the directors believe that once complete they will become capitalised development costs and they expect that they will be able to demonstrate technical, commercial and financial feasibility. At 31 December 2022 £665,951 (2021: £2,627,358) of assets under development costs had been capitalised and £684,471 (2021: £4,294,808) transferred to capitalised development costs.

The directors have completed an assessment on the commercial and financial viability of all completed development costs and are satisfied that it is appropriate to capitalise.

Capitalised development costs are being amortised between 3 to 10 years.

The assessment of technical, commercial and financial feasibility involves significant judgement. The choice of useful economic life also includes significant judgement and the choice of life can have a significant effect on the company's results.

**3 Turnover and other revenue**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Rendering of services	6,170,896	2,966,675
	<u>6,170,896</u>	<u>2,966,675</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
UK	319,167	48,116
USA	5,851,729	2,784,483
Europe	-	134,076
	<u>6,170,896</u>	<u>2,966,675</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other revenue</b>		
Grants received	50,329	164,872
R&D expenditure credit	209,963	192,122
	<u>260,292</u>	<u>357,000</u>

Grants received include £nil (2021: £6,484) of furlough income from the UK Government due to the Covid-19 pandemic.

**TRAKCEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****4 Operating loss**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	193,721	19,982
Government grants	(50,329)	(164,872)
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	8,500
Depreciation of owned tangible fixed assets	47,720	53,927
(Profit)/loss on disposal of tangible fixed assets	(41)	2,328
Amorisation of intangible assets	908,361	1,037,790
Impairment of intangible assets	-	657,480
(Profit)/loss on disposal of intangible assets	-	1,897
Share-based payments	107,430	25,361
Operating lease charges	66,000	66,000
	<b>=====</b>	<b>=====</b>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Admin	18	15
Operations	31	23
Research & Development	22	25
	<b>=====</b>	<b>=====</b>
Total	71	63
	<b>=====</b>	<b>=====</b>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,062,210	3,024,464
Social security costs	419,908	312,491
Pension costs	193,202	105,672
	<b>=====</b>	<b>=====</b>
	4,675,320	3,442,627
	<b>=====</b>	<b>=====</b>

During the year £650,367 of wage costs were capitalised as part of development costs.

**TRAKCEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****6 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	460,000	265,000
Company pension contributions to defined contribution schemes	32,000	10,812
	<u>492,000</u>	<u>275,812</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	230,000	140,000
Company pension contributions to defined contribution schemes	16,000	5,712
	<u>246,000</u>	<u>145,712</u>

**7 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	18
	<u>-</u>	<u>18</u>

**8 Fair value gains/(losses) on financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gain on financial assets held at fair value through profit or loss	347,403	6,102
	<u>347,403</u>	<u>6,102</u>

**9 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	39,893	36,503
	<u>39,893</u>	<u>36,503</u>

**TRAKCEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****9 Taxation****(Continued)**

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss before taxation	(2,378,972)	(3,692,945)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(452,005)	(701,660)
Tax effect of expenses that are not deductible in determining taxable profit	4,273	6,962
Unutilised tax losses carried forward	627,934	628,097
Permanent capital allowances in excess of depreciation	(7,230)	-
Share based payment charge	20,412	4,819
Depreciation in excess of capital allowances	-	206,814
Fixed asset differences	-	358
RDEC tax charge	39,893	36,503
Capitalised R&D deduction	(127,377)	(140,992)
Other timing differences	(66,007)	(4,398)
	<u>          </u>	<u>          </u>
Taxation charge for the year	39,893	36,503
	<u>          </u>	<u>          </u>

TrakCel Limited have tax losses carried forward of £21,687,389 (2021: £18,382,474).

The tax charge relates to the charge on the R&D expenditure credit included in note 3.

**10 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
In respect of:		
Intangible assets	-	657,480
	<u>          </u>	<u>          </u>
Recognised in:		
Administrative expenses	-	657,480
	<u>          </u>	<u>          </u>

**TRAKCEL LIMITED**

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

**11 Intangible fixed assets**

	Software	Development costs	Assets under development	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	128,659	9,734,627	580,451	10,443,737
Additions - internally developed	30,039	781,278	665,951	1,477,268
Transfers	-	684,471	(684,471)	-
At 31 December 2022	158,698	11,200,376	561,931	11,921,005
<b>Amortisation and impairment</b>				
At 1 January 2022	101,396	5,744,916	-	5,846,312
Amortisation charged for the year	19,742	888,619	-	908,361
At 31 December 2022	121,138	6,633,535	-	6,754,673
<b>Carrying amount</b>				
At 31 December 2022	37,560	4,566,841	561,931	5,166,332
At 31 December 2021	27,263	3,989,711	580,451	4,597,425

**12 Tangible fixed assets**

	Leasehold improvements	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	92,094	49,961	185,716	327,771
Additions	7,890	1,587	59,901	69,378
Disposals	-	-	(25,072)	(25,072)
At 31 December 2022	99,984	51,548	220,545	372,077
<b>Depreciation and impairment</b>				
At 1 January 2022	92,094	33,160	143,087	268,341
Depreciation charged in the year	2,893	4,316	40,511	47,720
Eliminated in respect of disposals	-	-	(22,863)	(22,863)
At 31 December 2022	94,987	37,476	160,735	293,198
<b>Carrying amount</b>				
At 31 December 2022	4,997	14,072	59,810	78,879
At 31 December 2021	-	16,801	42,629	59,430



**TRAKCEL LIMITED**

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

**13 Financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,080,591	560,041
Instruments measured at fair value through profit or loss	353,505	6,102
	<u>1,434,096</u>	<u>566,143</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,664,579	1,040,162
	<u>1,664,579</u>	<u>1,040,162</u>

**14 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	884,071	519,308
Corporation tax recoverable	170,070	306,967
Derivative financial instruments	353,505	6,102
Other debtors	202,481	67,652
Prepayments and accrued income	477,090	276,057
	<u>2,087,217</u>	<u>1,176,086</u>

**15 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	368,504	258,420
Taxation and social security	121,322	92,760
Other creditors	233,429	31,660
Accruals and deferred income	1,062,646	750,082
	<u>1,785,901</u>	<u>1,132,922</u>

During the year, the parent company forgave £1,693,260 (2021: £955,464) of management charges and £4,218,229 (2021: £3,950,009) of other funding, thereby extinguishing these liabilities. These amounts forgiven have been treated as capital contributions and have been reflected as credits to reserves.

**16 Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	193,202	105,672
	<u>193,202</u>	<u>105,672</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end the company had outstanding pension contributions of £48,205 (2021: £31,660) this amount being included within creditors due within one year.

**TRAKCEL LIMITED**

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

**17 Share-based payment transactions**

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 January 2022	165,842	151,747	2.35	1.93
Granted	137,815	17,221	6.87	6.05
Forfeited	(14,209)	(3,126)	1.93	1.93
	<u>289,448</u>	<u>165,842</u>	<u>4.52</u>	<u>2.35</u>
Outstanding at 31 December 2022	289,448	165,842	4.52	2.35
	<u>289,448</u>	<u>165,842</u>	<u>4.52</u>	<u>2.35</u>
Exercisable at 31 December 2022	158,159	69,177	3.93	1.87
	<u>158,159</u>	<u>69,177</u>	<u>3.93</u>	<u>1.87</u>

No share options were exercised during the current or prior year.

The options outstanding at 31 December 2022 had an exercise price ranging from \$2.39 to \$8.50, and a remaining contractual life of 1, 2 and 3 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

The fair value of the share options granted during the year was \$8.50.

Inputs were as follows:

	2022	2021
Expected volatility	80.00	80.00
Expected life	4.00	4.00
Risk free rate	1.10	0.19
	<u>80.00</u>	<u>80.00</u>

**Liabilities and expenses**

During the year, the company recognised total share-based payment expenses of £107,430 (2021 - £25,361) which related to equity settled share based payment transactions.

**Group share-based payments**

The company participates in a group share based payment plan, and recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of employees benefiting from the share based payment plan employed by each group entity.

**TRAKCEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****18 Share capital**

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 1p each	284,730	284,730	2,848	2,848
Series A shares of 1p each	171,429	171,429	1,714	1,714
	<u>456,159</u>	<u>456,159</u>	<u>4,562</u>	<u>4,562</u>

**19 Share premium account**

The company has two classes of ordinary shares which carry no right to fixed income.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

**20 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	50,982	67,329
Between two and five years	443	51,272
	<u>51,425</u>	<u>118,601</u>

**21 Capital contribution**

During the year, the parent company made capital contributions totalling £5,911,489 (2021: £4,905,473). This included £1,693,260 (2021: £955,464) of management charges waived and £4,218,229 (2021: £3,950,009) of other funding waived by the parent company. The contributions have been reflected as credits to reserves.

**22 Related party transactions**

During the year, TrakCel Limited was invoiced £79,200 (2021: £75,600) in rent from Corvette Properties Limited. Corvette Properties Limited is a related party by virtue of common directors. The balance outstanding at the year end was £6,600 (2021: £Nil).

During the year TrakCel Limited was invoiced £34,002 (2021: £nil) for services provided by its parent company, TrakCel Holding Company Inc. The balance outstanding at year end was £7,414 (2021: £Nil). TrakCel Limited were also charged £1,693,260 (2021: £955,464) as management charges for recharged wages.

In addition the company has received capital contributions from its parent company as set out in note 21 above.

**TRAKCEL LIMITED**

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

**23 Ultimate controlling party**

The immediate parent company is TrakCel Holding Company Inc., incorporated in the United States of America. The ultimate controlling parties are the members of Telegraph Hill Partners, a private equity fund based in the United States of America.

**24 Cash absorbed by operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(2,418,865)	(3,729,448)
<b>Adjustments for:</b>		
Taxation charged	39,893	36,503
Finance costs	-	18
Group management charges forgiven	1,693,260	955,464
(Gain)/loss on disposal of tangible fixed assets	(41)	2,328
(Gain)/loss on disposal of intangible assets	-	1,897
Amorisation and impairment of intangible assets	908,361	1,695,270
Depreciation and impairment of tangible fixed assets	47,720	53,927
Other gains and losses	(347,403)	(6,102)
Equity settled share based payment expense	107,430	25,361
<b>Movements in working capital:</b>		
Increase in debtors	(700,625)	(559,468)
Increase/(decrease) in creditors	652,979	(340,197)
<b>Cash absorbed by operations</b>	<b>(17,291)</b>	<b>(1,864,447)</b>

**25 Analysis of changes in net funds**

	<b>1 January 2022</b>	<b>Cash flows</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	144,757	2,753,546	2,898,303

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