

**NAVENIO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

# NAVENIO LIMITED

## COMPANY INFORMATION

<b>Directors</b>	M T Arnold (resigned 22 October 2022) Dr A Trigoni T P Weil (resigned 17 February 2022) IP2IPO Services Limited (resigned 12 September 2023) C D Hall (resigned 17 February 2022) Y G P Chim (resigned 4 December 2022) M P Moran C Moser (appointed 17 February 2022) A Naim (appointed 1 August 2022) Dr H E Roxborough (appointed 22 October 2022) T A J Wilson (appointed 11 September 2023) Y Peh (appointed 11 September 2023)
<b>Company secretary</b>	V Gray
<b>Registered number</b>	09845565
<b>Registered office</b>	60 St. Aldates Floor 2 Oxford OX1 1ST
<b>Independent auditors</b>	James Cowper Kreston Audit Chartered Accountants 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

**NAVENIO LIMITED**

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# NAVENIO LIMITED

## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

### Introduction

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

### Business review

In the financial year ended 31 December 2022, the Company continued to invest in the development and commercialisation of its Intelligent Workforce Solutions (IWS), completed and began to commercially deploy the new Intelligent Location Solution (ILS), delivered a location software development kit (SDK) for third party vendors to incorporate into their offerings, and continued to focus on business and research into improving and extending the technology on which it is based (e.g., extend capabilities to IOS devices). Revenues increased by 52.2% to £1,952,873 (2021: £1,282,971). In addition, the company successfully rolled out an NHSx innovation fund program, installing ten hospitals with IWS. This program required outcomes validation and each hospital was tracked and monitored from a baseline to establish return on investment and value to each hospital organisation. Within the program, we also converted one hospital during 2022 and set the foundation for converting the remaining NHSx funded hospitals into annual recurring revenue (ARR) in 2023.

Other changes to the business included:

- Rollout of our partner program – To extend our visibility and support our growth, we have begun to establish strong channel partnerships with other healthcare vendors. In 2022, we completed integration with a top tier nurse call vendor and were well on our way with other nurse call and command centre vendors. With these vendors, we will extend both our sales/marketing and service/support capabilities.
- Facilities management organisations (FMO)- With changes made in the way we approach FMO's, we have laid the groundwork for successful expansion in 2023. A major win in 2022 established a strong, outcomes driven site for a top tier FMO service provider. The successful go live and expansion at this site has allowed us to move forward with UK corporate discussions and commitments. We also deployed other paid pilot sites for other FMO's with progress towards corporate agreements with both.
- Infrastructure channel partner – Our work in recasting this U.K. relationship in 2022 allowed us to set the stage in healthcare and beyond (e.g., ship refurbishment) for many solid pipeline deals.

Operating losses increased by 33.7% to £6,864,448 (2021: £5,134,467).

In October 2022 the Company raised an additional £3.5m of equity share capital and a further £5m in September 2023.

### Principal risks and uncertainties

The principal risks and uncertainties for the Company are the possibility that the research and development work fails to result in products, services or Intellectual Property that can be sold for sums in excess of the cost of producing them or that sufficient finance can be raised to fund future research and development and working capital. The risk posed by the Covid-19 pandemic has to a significant extent been reflected in the financial statements and is primarily linked to delays in customer evaluations and orders due to the widespread disruption in the primary UK healthcare market and the knock-on effects to staffing and moral within the NHS delaying projects and prospect decision making.

The Company aims to mitigate the financial risks by recruiting and retaining technical and sales staff capable of delivering the research and developing the products and services at a price that meets the needs in the market. Should free movement of technical staff be affected by Covid-19, the Company could with minimal disruption employ staff inside the EU or in other areas in the world as staff are already largely working remotely. Risks are further being mitigated by the company's additional strategies of selling into healthcare markets outside the U.K. (primarily focused on the U.S.), driving business through channel partnerships, and extending into markets outside the healthcare industry.

**NAVENIO LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Financial key performance indicators**

During 2022, the Company has progressed from early development stage to commercialization, with new deployments of our technology to customers and completion of key development milestones on new products and technical capabilities with our channel partners. As a result, the Company is focused on delivering profitable performance as sales grow and gain traction in a multitude of ways; through both U.K. and U.S. direct healthcare sales, healthcare channel partner sales, healthcare FMO sales, and other market sales.

The key performance indicators the company will measure include:

- Growth in ARR
- EBITDA
- Cash flow
- Number of enterprise customers
- Number of users
- Geographical and market growth

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

.....  
**C Moser**  
Director

Date: 15 September 2023

## NAVENIO LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Directors

The directors who served during the year were:

M T Arnold (resigned 22 October 2022)  
Dr A Trigoni  
T P Weil (resigned 17 February 2022)  
IP2IPO Services Limited (resigned 12 September 2023)  
C D Hall (resigned 17 February 2022)  
Y G P Chim (resigned 4 December 2022)  
M P Moran  
C Moser (appointed 17 February 2022)  
A Naim (appointed 1 August 2022)  
Dr H E Roxborough (appointed 22 October 2022)

#### Results and dividends

The loss for the year, after taxation, amounted to £6,037,914 (2021 - loss £4,855,954).

The directors do not recommend the payment of a dividend.

#### 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.

#### Future developments

Whilst the business has produced both the IWS and ILS solutions with a focus on proving the technology by delivering potentially significant benefits in healthcare in the UK, strategically the Navenio Indoor Location Technology is not sector specific and can be provided to businesses both within and outside the healthcare market both inside and outside the UK. The Company is following a strategy to expand rapidly internationally bringing its world class infrastructure free indoor location technology to new markets.

**NAVENIO LIMITED**

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

**Going concern**

Post year end the Company successfully raised £5m in new equity funding and expects this funding to last through calendar year 2024. Based on the forecasts prepared, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Post balance sheet events**

In September 2023, the Company successfully raised £5m in new equity funding.

**Auditors**

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

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

.....  
**C Moser**  
Director

Date: 15 September 2023

## NAVENIO LIMITED

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

#### Opinion

We have audited the financial statements of Navenio Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 31 December 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.

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

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

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

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of  
**James Cowper Kreston Audit**

Chartered Accountants

2 Chawley Park  
Cumnor Hill  
Oxford  
Oxfordshire  
OX2 9GG

15 September 2023

NAVENIO LIMITED

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

	Note	2022 £	2021 £
Turnover	3	1,952,873	1,282,971
Cost of sales		(161,004)	(128,787)
<b>Gross profit</b>		<b>1,791,869</b>	<b>1,154,184</b>
Administrative expenses		(8,656,317)	(6,470,538)
Other operating income	4	-	181,887
<b>Operating loss</b>	5	<b>(6,864,448)</b>	<b>(5,134,467)</b>
Interest receivable and similar income	9	3,923	2,714
<b>Loss before tax</b>		<b>(6,860,525)</b>	<b>(5,131,753)</b>
Tax on loss	10	822,611	275,799
<b>Loss for the financial year</b>		<b>(6,037,914)</b>	<b>(4,855,954)</b>

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 14 to 31 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	317,392	318,753
Tangible assets	12	152,934	115,082
		470,326	433,835
<b>Current assets</b>			
Stocks	14	14,029	20,070
Debtors: amounts falling due within one year	15	2,026,836	975,608
Cash at bank and in hand	16	3,142,006	6,866,065
		5,182,871	7,861,743
Creditors: amounts falling due within one year	17	(865,502)	(1,079,688)
		4,317,369	6,782,055
<b>Net current assets</b>		4,317,369	6,782,055
<b>Total assets less current liabilities</b>		4,787,695	7,215,890
<b>Net assets</b>		4,787,695	7,215,890
<b>Capital and reserves</b>			
Called up share capital	18	7,489	6,779
Share premium account		29,588,877	26,103,589
Other reserves		123,721	-
Profit and loss account		(24,932,392)	(18,894,478)
		4,787,695	7,215,890

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

.....  
**C Moser**

Director

Date: 15 September 2023

The notes on pages 14 to 31 form part of these financial statements.

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

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	317,392	318,753
Tangible assets	12	152,934	115,082
Investments	13	8	-
		470,334	433,835
<b>Current assets</b>			
Stocks	14	14,029	20,070
Debtors: amounts falling due within one year	15	2,425,551	975,608
Cash at bank and in hand	16	3,139,981	6,866,065
		5,579,561	7,861,743
Creditors: amounts falling due within one year	17	(865,510)	(1,079,688)
		4,714,051	6,782,055
<b>Net current assets</b>		4,714,051	6,782,055
<b>Total assets less current liabilities</b>		5,184,385	7,215,890
		5,184,385	7,215,890
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	18	7,489	6,779
Share premium account		29,588,877	26,103,589
Other reserves		123,721	-
Profit and loss account		(24,535,702)	(18,894,478)
		5,184,385	7,215,890

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

.....  
**C Moser**  
 Director

Date: 15 September 2023

The notes on pages 14 to 31 form part of these financial statements.

NAVENIO LIMITED

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
<b>At 1 January 2021</b>	5,267	10,211,709	-	4,038,524	6,178,452	6,178,452
Loss for the year	-	-	-	4,855,954	(4,855,954)	(4,855,954)
Shares issued during the year	1,512	5,891,880	-	-	5,893,392	5,893,392
<b>At 1 January 2022</b>	6,779	16,103,589	-	8,894,478	7,215,890	7,215,890
Loss for the year	-	-	-	6,037,914	(6,037,914)	(6,037,914)
Shares issued during the year	710	3,485,288	-	-	3,485,998	3,485,998
Share based payment charge	-	-	123,721	-	123,721	123,721
<b>At 31 December 2022</b>	<u>7,489</u>	<u>19,588,877</u>	<u>123,721</u>	<u>4,932,392</u>	<u>4,787,695</u>	<u>4,787,695</u>

The notes on pages 14 to 31 form part of these financial statements.

NAVENIO LIMITED

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

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	5,267	20,211,709	-	14,038,524	6,178,452
				)	
Loss for the year	-	-	-	(4,855,954)	(4,855,954)
				)	
Shares issued during the year	1,512	5,891,880	-	-	5,893,392
<b>At 1 January 2022</b>	6,779	26,103,589	-	18,894,478	7,215,890
				)	
Loss for the year	-	-	-	(5,641,224)	(5,641,224)
				)	
Shares issued during the year	710	3,485,288	-	-	3,485,998
Share based payment charge	-	-	123,721	-	123,721
<b>At 31 December 2022</b>	<u>7,489</u>	<u>29,588,877</u>	<u>123,721</u>	<u>24,535,702</u>	<u>5,184,385</u>
				)	

The notes on pages 14 to 31 form part of these financial statements.

NAVENIO LIMITED

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

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(6,037,914)	(4,855,954)
<b>Adjustments for:</b>		
Depreciation of tangible assets	157,617	115,357
Loss on disposal of tangible assets	8,727	(2,188)
Government grants	-	(181,887)
Interest received	(3,923)	(2,714)
Taxation charge	(792,966)	(275,799)
Decrease in stocks	6,041	15,240
(Increase)/decrease in debtors	(504,416)	119,183
(Decrease)/increase in creditors	(243,831)	57,646
Fair value of equity-settled employment services	123,721	-
Corporation tax received	275,799	275,799
<b>Net cash generated from operating activities</b>	<u>(7,011,145)</u>	<u>(4,735,317)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(68,674)	(99,255)
Purchase of tangible fixed assets	(134,161)	(57,835)
Sale of tangible fixed assets	-	4,156
Government grants received	-	181,887
Interest received	3,923	2,714
<b>Net cash from investing activities</b>	<u>(198,912)</u>	<u>31,667</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	3,485,998	5,893,392
<b>Net cash used in financing activities</b>	<u>3,485,998</u>	<u>5,893,392</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(3,724,059)</u>	<u>1,189,742</u>
Cash and cash equivalents at beginning of year	6,866,065	5,676,323
<b>Cash and cash equivalents at the end of year</b>	<u><u>3,142,006</u></u>	<u><u>6,866,065</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,142,006	6,866,065
	<u><u>3,142,006</u></u>	<u><u>6,866,065</u></u>

The notes on pages 14 to 31 form part of these financial statements.

## NAVENIO LIMITED

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

#### 1. General information

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

The Company's registered office is 60 St. Aldates, Floor 2, Oxford, OX1 1ST.

#### 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.

##### 2.3 Going concern

The Company is still at a relatively early stage in the development and commercialisation of its product portfolio. As has been the case in the current year, and as will be the case going forward, the Company continues to expand and focus on product development, sales and marketing and as such its cash outflows outweigh its income. The Company therefore generated a loss of £6,860,525 in the current year. The Company had cash of £3,139,981 at the year end.

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

Post year end the Company successfully raised £5m in new equity funding and expects this funding to last through calendar year 2024.

On this basis and on having reviewed the income statement and cash flow forecasts prepared by management, the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors consider that in preparing the financial statements they have taken into account all information currently available.

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

2. Accounting policies (continued)

2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

**Rendering of services**

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

**Resale of goods and services**

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

2.6 Government grants

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

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

2.7 Interest income

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

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

2. Accounting policies (continued)

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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Share based payment

The fair value of the share options at the date of grant is determined using the Black-Scholes model. This model uses key assumptions including the risk-free rate, share price and volatility of the share price. The fair value of the options at the date of grant is then charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.11 Intangible assets

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

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

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the length of the lease
Plant & machinery	- 33%
Office equipment	- 33%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

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

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

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

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

2.16 Cash and cash equivalents

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

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

2.17 Creditors

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

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

2. Accounting policies (continued)

2.18 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**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 Group after the deduction of all its liabilities.

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

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

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

NAVENIO LIMITED

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

3. Turnover

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

	2022 £	2021 £
Services	1,920,051	1,257,869
Goods	32,822	25,102
	<u>1,952,873</u>	<u>1,282,971</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	1,808,790	1,073,812
Rest of Europe	137,812	45,938
Rest of the World	6,271	163,221
	<u>1,952,873</u>	<u>1,282,971</u>

4. Other operating income

	2022 £	2021 £
Government grants receivable	-	181,887
	<u>-</u>	<u>181,887</u>

5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Exchange differences	<u>32,780</u>	<u>469</u>

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	16,500	17,000

NAVENIO LIMITED

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

7. **Employees**

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

	<b>Group 2022 £</b>	Group 2021 £	<b>Company 2022 £</b>	Company 2021 £
Wages and salaries	<b>4,760,044</b>	3,991,525	<b>4,432,756</b>	3,991,525
Social security costs	<b>660,314</b>	446,756	<b>610,397</b>	446,756
Cost of defined contribution scheme	<b>195,959</b>	157,591	<b>195,959</b>	157,591
	<u><b>5,616,317</b></u>	<u>4,595,872</u>	<u><b>5,239,112</b></u>	<u>4,595,872</u>

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

	<b>2022 No.</b>	2021 No.
Employees	<u><b>75</b></u>	<u>64</u>

8. **Directors' remuneration**

	<b>2022 £</b>	2021 £
Directors' emoluments	<b>493,782</b>	421,218
	<u><b>493,782</b></u>	<u>421,218</u>

The highest paid director received remuneration of £193,165 (2021 - £228,942).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The total accrued pension provision of the highest paid director at 31 December 2022 amounted to £NIL (2021 - £NIL).

9. **Interest receivable**

	<b>2022 £</b>	2021 £
Other interest receivable	<b>3,923</b>	2,714
	<u><b>3,923</b></u>	<u>2,714</u>

NAVENIO LIMITED

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

10. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(822,611)	(275,799)
<b>Total current tax</b>	<u>(822,611)</u>	<u>(275,799)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(822,611)</u>	<u>(275,799)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(6,860,525)</u>	<u>(5,131,753)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,303,500)	(975,033)
<b>Effects of:</b>		
Fixed asset differences	(3,222)	(3,210)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	73,860	1,621
Capital allowances for year in excess of depreciation	190	(570)
Additional deduction for R&D expenditure	(609,250)	(204,265)
Surrender of tax losses for R&D tax credit refund	255,293	361,392
Remeasurement of deferred tax for changes in tax rates	(217,467)	(854,367)
SME tax credit	-	(275,799)
Other differences leading to an increase in the tax charge	75,371	-
Reversal of deferred tax asset deemed irrecoverable	906,114	1,674,432
<b>Total tax charge for the year</b>	<u>(822,611)</u>	<u>(275,799)</u>

The company has not recognised a deferred tax asset on the losses incurred. The company's losses available for tax relief against future profits are £17,913,581 at the year end (2021: £13,954,692).

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

11. Intangible assets

Group and Company

	IP costs £	Website costs £	Total £
<b>Cost</b>			
At 1 January 2022	335,266	4,250	339,516
Additions	68,674	-	68,674
At 31 December 2022	<u>403,940</u>	<u>4,250</u>	<u>408,190</u>
<b>Amortisation</b>			
At 1 January 2022	19,453	1,310	20,763
Charge for the year on owned assets	70,035	-	70,035
At 31 December 2022	<u>89,488</u>	<u>1,310</u>	<u>90,798</u>
<b>Net book value</b>			
At 31 December 2022	<u>314,452</u>	<u>2,940</u>	<u>317,392</u>
At 31 December 2021	<u>315,813</u>	<u>2,940</u>	<u>318,753</u>

All of the Group's intangible fixed assets are held in the parent company.

NAVENIO LIMITED

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

12. Tangible fixed assets

Group

	Leasehold improvements	Plant & machinery	Office equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	69,387	3,257	74,054	325,095	471,793
Additions	75,319	-	141	58,701	134,161
Disposals	-	-	-	(8,727)	(8,727)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	144,706	3,257	74,195	375,069	597,227
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 2022	55,047	3,257	70,334	228,073	356,711
Charge for the year on owned assets	24,228	-	2,958	60,396	87,582
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	79,275	3,257	73,292	288,469	444,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2022	<u>65,431</u>	<u>-</u>	<u>903</u>	<u>86,600</u>	<u>152,934</u>
At 31 December 2021	<u>14,340</u>	<u>-</u>	<u>3,720</u>	<u>97,022</u>	<u>115,082</u>

NAVENIO LIMITED

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

12. Tangible fixed assets (continued)

Company

	Leasehold improvements	Plant & machinery	Office equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	69,387	3,257	74,054	325,095	471,793
Additions	75,319	-	141	58,701	134,161
Disposals	-	-	-	(8,727)	(8,727)
At 31 December 2022	<u>144,706</u>	<u>3,257</u>	<u>74,195</u>	<u>375,069</u>	<u>597,227</u>
<b>Depreciation</b>					
At 1 January 2022	55,047	3,257	70,334	228,073	356,711
Charge for the year on owned assets	24,228	-	2,958	60,396	87,582
At 31 December 2022	<u>79,275</u>	<u>3,257</u>	<u>73,292</u>	<u>288,469</u>	<u>444,293</u>
<b>Net book value</b>					
At 31 December 2022	<u>65,431</u>	<u>-</u>	<u>903</u>	<u>86,600</u>	<u>152,934</u>
At 31 December 2021	<u>14,340</u>	<u>-</u>	<u>3,720</u>	<u>97,022</u>	<u>115,082</u>

NAVENIO LIMITED

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

13. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
Additions	8
	<hr/>
At 31 December 2022	<u>8</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Navenio Inc	United States of America	Other information technology service activities	Ordinary	100 %

14. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	14,029	20,070	14,029	20,070
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>14,029</u>	<u>20,070</u>	<u>14,029</u>	<u>20,070</u>

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	861,927	266,829	861,927	266,829
Amounts owed by group undertakings	-	-	432,091	-
Other debtors	153,498	104,512	153,498	104,512
Prepayments and accrued income	188,800	328,468	155,424	328,468
Tax recoverable	822,611	275,799	822,611	275,799
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,026,836</u>	<u>975,608</u>	<u>2,425,551</u>	<u>975,608</u>

NAVENIO LIMITED

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

16. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	3,142,006	6,866,065	3,139,981	6,866,065
	<u>3,142,006</u>	<u>6,866,065</u>	<u>3,139,981</u>	<u>6,866,065</u>

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	85,353	50,800	85,353	50,800
Corporation tax	29,645	-	29,645	-
Other taxation and social security	150,500	151,130	150,500	151,130
Other creditors	-	22,764	-	22,764
Accruals and deferred income	600,004	854,994	600,012	854,994
	<u>865,502</u>	<u>1,079,688</u>	<u>865,510</u>	<u>1,079,688</u>

NAVENIO LIMITED

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

18. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
299,507 (2021 - 296,704) Ordinary shares of £0.01 each	2,995	2,967
414,142 (2021 - 345,915) Series A shares of £0.01 each	4,141	3,459
6,280 (2021 - 6,280) Growth shares of £0.01 each	63	63
10,000 (2021 - 10,000) B Growth shares of £0.01 each	100	100
10,000 (2021 - 10,000) C Growth shares of £0.01 each	100	100
9,000 (2021 - 9,000) D Growth shares of £0.01 each	90	90
	<u>7,489</u>	<u>6,779</u>

On 17 February 2022 68 Ordinary shares of £0.01 each were issued for a total consideration of £68. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 18 February 2022 19 Ordinary shares £0.01 each were cancelled.

On 28 April 2022 1,441 Ordinary shares of £0.01 each were issued for a total consideration of £4,092. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 9 May 2022, 34 Ordinary shares of £0.01 each were issued for a total consideration of £34. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 7 June 2022, 1,260 Ordinary shares of £0.01 each were issued for a total consideration of £1,260. Ordinary shares have full voting rights, full rights in the distribution of dividends and full rights in the distribution of capital (including on winding up). Ordinary shares are non-redeemable.

On 19 October 2022 68,246 Series A shares of £0.01 each were issued for a total consideration of £3,480,546. Series A shares have full voting rights, full rights in the distribution of dividends, non-participating preference rights in the distribution of capital (including on winding up), anti-dilution rights on a further issue of shares and the right to convert into Ordinary shares.

NAVENIO LIMITED

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

19. Share-based payments

The Company operates an EMI share option scheme for staff and an unapproved option scheme for employees and consultants not eligible under the EMI scheme. During the year a charge for £123,721 was recognised for the options granted in 2022 and was calculated using the Black-Scholes Option Pricing Model.

No charge was recognised in 2021 as it was deemed to be immaterial by the directors.

	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the year		94,614
Granted during the year	2359	87,027
Forfeited during the year	586	(10,611)
Exercised during the year	195	(2,803)
	<u>1382</u>	<u>168,227</u>
<b>Outstanding at the end of the year</b>		
		<b>2022</b>
Weighted average share price (pence)		2359
Exercise price (pence)		2359
Weighted average contractual life (years)		4
Expected volatility		36.7%
Risk-free interest rate		<u>1.97%</u>
		<b>2022</b>
		<b>£</b>
Equity-settled schemes		123,721
		<u>123,721</u>

20. Contingent liabilities

The Company has a contingent liability for dilapidations in relation to the offices let during the year. This has not been recognised due to the Company not being able to reliably estimate the obligation. The maximum exposure to the Company is £80,000.

**NAVENIO LIMITED**

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

**21. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £161,397 (2021 - £157,591). Contributions totalling £Nil (2021 - £22,764) were payable to the fund at the balance sheet date and are included in creditors.

**22. Commitments under operating leases**

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022</b>	<b>Group 2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	-	129,649
	-	129,649
	-	129,649

**23. Related party transactions**

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

Oxford Sciences Enterprises invoiced the Company £56,139 for fees associated with the recruitment of senior management in the period. There was no balance outstanding at the year end.

The Company paid license fees to Oxford University Innovation during the year of £18,319 (2021: £21,114) A balance of £nil was outstanding at year end. Oxford University Innovation is connected to The Chancellor, Masters and Scholars of the University of Oxford, a shareholder of the company.

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

Oxford University Innovation also provided IP protection services on behalf of the Company charging £47,538 (2021: £66,885) for the services provided. A balance of £nil was outstanding at year end.

Navenio Limited sublet business premises from Diffblue (a company under common directorship) during the year at a cost of £139,538.

**Key management personnel**

Key management personnel compensation in the year totalled £493,782 (2021: £421,218), see note 8. Included in the compensation were non-executive director fees totalling £51,174 (2021: £55,350) paid to M P Moran.

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

**24. Post balance sheet events**

In September 2023, the Company successfully raised £5m in new equity funding.

**NAVENIO LIMITED**

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

**25. Controlling party**

The directors believe there is no one ultimate controlling party.

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