

Registered number: 08083534

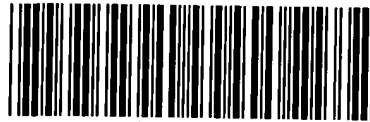
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**WAYRA UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**WAYRA UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Miguel Bermudez Bruno Vidal Sa De Moraes Thomas Peter De Albuquerque
<b>Company secretary</b>	O2 Secretaries Limited (resigned 18 June 2021)
<b>Registered number</b>	08083534
<b>Registered office</b>	260 Bath Road Slough Berkshire SL1 4DX United Kingdom
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road, Watford WD17 1JJ United Kingdom

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**WAYRA UK LIMITED**

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**WAYRA UK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

**Legal form and principal activities**

Wayra UK Limited (the "Company" or "Wayra UK") is a private company limited by shares registered in England and Wales under the registered number 08083534. The registered address is 260 Bath Road, Slough, Berkshire SL1 4DX. It is a wholly owned subsidiary of Telefonica SA, a company incorporated in Spain.

Wayra UK Limited is part of Telefonica's global open innovation arm with a presence in Latin America, Germany, Spain and the UK and operates under the Wayra brand ("Wayra"). The aim of Wayra is to turn start-ups into scale-ups by providing access to a global network of coaches, mentors and investors as well as business development opportunities with corporations to nurture the best technological ideas and talent. The Wayra programme's offers budding technology entrepreneurs the chance to receive investments and operate from a state-of-the art workspace to help them to scale faster by offering a structured acceleration syllabus utilising a far-reaching network of individuals to mentor and develop the start-ups. Wayra programmes cover governance, management, oratory and other skills to enable the businesses to develop and exercise fiduciary responsibilities.

In 2020, Wayra UK partnered with other major corporations and government institutions seeking to work closely with entrepreneurs developing disruptive ideas:

- Health Hub, a collaboration with pharmaceutical company Novartis International AG, that is accelerating the next generation of health-care start-ups.
- Cyber Accelerator with GCHQ, the government security agency, and the UK Department of Culture, Media and Sport (DCMS) that aims to help cyber start-ups develop and grow.
- Intelligent Mobility (IM) Accelerator, a partnership Catapult Connected Places, designed to attract disruptive start-ups with high-growth potential into the UK transport supply chain.
- AI & Blockchain Accelerator, a partnership with University of Edinburgh to make the UK and Edinburgh the 'go to' place for new AI and /or Blockchain businesses with High Growth potential.
- 5PrinG accelerator, the 1<sup>st</sup> UK 5G commercial accelerator, a partnership with Telefonica UK, Deloitte, West Midlands 5G and Digital Catapult.

This enhanced support means that Wayra is supporting 70 companies across the UK in 2020 (72 in 2019) with acceleration and pre-acceleration programmes.

Since 2012, Wayra UK has invested in 141 companies in the UK, who have together raised over £230m in third-party investment.

Wayra UK's success is the result of a combination of the human resources dedicated to start-up business development, a network of mentors that includes senior executives at Telefónica and support directly from Telefónica's UK and global boards.

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**WAYRA UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Financial performance of the Company for the year ended 31 December 2020

The Directors consider that the most relevant financial ratios to take into account are its revenues, its comprehensive profit or loss and operating profit (total operating income less total operating expenses) or loss and main Key Performance Indicator is its portfolio value (total investment in technological start-ups, see note 10 to the financial statements) given the Company's nature of business as an investor in and accelerator of technological start-ups.

The Company's total revenue for the year ended 31 December 2020 was £1,555,888 compared to £2,013,837 at 31 December 2019 due to a reduction in the acceleration services provided to Wayra investments.

The Company's operating loss for the year ended 31 December 2020 was £ 22,132 compared to £626,890 loss at 31 December 2019 due to a higher investment revaluation in the year of £ 1,476,325.

As at 31 December 2020, the Company has a portfolio of long-term investments in technology start-up companies of £14,929,393 (2019: £11,998,666). Even though the Company has operating loss in the year, its portfolio increase, determined as described in note 10, shows how the Company continues investing in technological start-ups and performing well in this area which is the most relevant one according to its nature. Total number of investees at December 2020 was 141 (2019: 132).

The net assets position at 31 December 2020 was £17,173,441 (2019: £12,611,725).

The profit for the year, after taxation, amounted to £272,497 (2019 - loss £404,720).

**Dividends**

The Company did not pay a dividend in the year ended 31 December 2020 (2019: nil)

**Directors**

The directors who served during the year were:

Niall Patrick Shanley ( resigned 4 September 2020)  
Diego Colchero Paetz ( resigned 21 October 2020)  
Bruno Vidal Sa De Moraes (appointed 10 February 2020)  
Miguel Arias Bermudez  
Thomas Peter De Albuquerque (appointed 22 October 2020)

The Secretary of the Company was O2 Secretaries Limited (resigned 18 June 2021)

**Political contributions**

The Company made no political donations during the year (2019: Nil)

**Small companies' exemptions**

In preparing the Annual Report and Financial Statements for the year ended 31 December 2020, the Directors have taken advantage of the small companies' exemption under section 414 (B) of the Companies Act 2006 not to prepare a Strategic Report.

In addition, the Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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**WAYRA UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Directors Liability Insurance and Indemnities**

Telefonica S.A. the Company's ultimate parent company, maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against Directors of the companies within the Telefónica group (the "Telefónica Group") and the Directors of the Company are covered by this insurance.

The indemnity was in force throughout the last financial year and is currently in force.

**Disclosure of Information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post year end events**

The Company has made 4 new investments in the following portfolio companies:

- Omniflow – £174,492.31
- Guuru – £30.46
- Aura Vision – £217,400.26
- Hiya Inc – £213,252.90

There are no material subsequent events after the balance sheet date.

**Independent Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

**Going Concern**

The financial position of the Company is described above. In addition, notes 1 and 16 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk. Consequently, the Directors believe that the Company is well placed to manage its business risk successfully.

The Company has received a letter of parental support from Telefonica S.A., the ultimate parent company, which confirms that Telefonica S.A., will continue to provide financial support to the Company for a period of twelve months from the date of signing of the Auditors' Report in the financial statements. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Financial Risk Management Objectives, Policies and Exposure**

Details of the Company's approach to financial risk management are set out in the financial statements in note 16 Financial instruments.

This report was approved by the board on 6 July 2021 and signed on its behalf.

DocuSigned by:

Bruno Vidal Sa De Moraes

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**WAYRA UK LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.


Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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

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.

The statement was approved by the directors on 6 July 2021 and signed on its behalf.

DocuSigned by:  
  
Bruno Vidal Sa De Moraes  
Director

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**WAYRA UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE  
MEMBERS OF WAYRA UK LIMITED**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion, Wayra UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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## WAYRA UK LIMITED

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### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities:

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

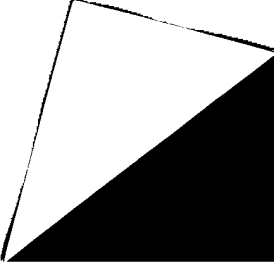
As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### 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 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.



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## WAYRA UK LIMITED

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Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to the valuation of Unquoted Equity Investments
- Review of board minutes for consideration of known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Hannes Verwey (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford 7 July 2021

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**WAYRA UK LIMITED**


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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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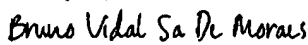
	Note	2020 £	2019 £
Revenue	4	1,555,888	2,013,837
Operating expenses	5	(3,054,050)	(3,396,929)
Depreciation	9	(294)	(219)
Investment fair value changes	10	1,476,324	756,421
<b>Operating Loss</b>		<b>(22,132)</b>	<b>(626,890)</b>
Finance income	6	72,487	29,147
Finance costs	6	(59,222)	(6,265)
<b>Loss before tax</b>		<b>(8,867)</b>	<b>(604,008)</b>
Tax credit	8	281,364	199,288
<b>Income/(Loss) and Total comprehensive income/(expense) for the year</b>		<b>272,497</b>	<b>(404,720)</b>

**WAYRA UK LIMITED**  
**REGISTERED NUMBER: 08083534**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,606	396
Investments in start-ups	10	14,929,393	11,998,666
Investments in subsidiary companies	11	2	2
<b>Total Non-current assets</b>		<b>14,931,001</b>	<b>11,999,064</b>
<b>Current assets</b>			
Trade and other receivables	12	540,516	978,048
Cash and cash equivalents	19	3,132,861	1,497,646
<b>Total current assets</b>		<b>3,673,377</b>	<b>2,475,694</b>
<b>Total assets</b>		<b>18,604,378</b>	<b>14,474,758</b>
<b>Liabilities</b>			
Trade and other liabilities	13	1,430,937	1,863,033
<b>Total current liabilities</b>		<b>1,430,937</b>	<b>1,863,033</b>
<b>Total liabilities</b>		<b>1,430,937</b>	<b>1,863,033</b>
<b>Net assets</b>		<b>17,173,441</b>	<b>12,611,725</b>
<b>Issued capital and reserves</b>			
Share capital	14	10	8
Share premium reserve	14	21,923,176	17,633,959
Accumulated losses	15	(4,749,745)	(5,022,242)
<b>TOTAL EQUITY</b>		<b>17,173,441</b>	<b>12,611,725</b>

The financial statements on pages 10 to 41 were approved and authorised for issue by the board of directors on 6 July 2021 and were signed on its behalf by:

DocuSigned by:  
  
SE7F87C3F783485  
**Bruno Vidal Sa De Moraes**  
 Director

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**WAYRA UK LIMITED**


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


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	Share capital £	Share premium £	Accumulated Losses £	Total equity £
At 1 January 2019	7	14,831,960	(4,617,522)	10,214,445
Comprehensive expense for the year				
Loss for the financial year	-	-	(404,720)	(404,720)
	-	-	(404,720)	(404,720)
Total comprehensive expense for the year				
Issue of share capital/premium	1	2,801,999	-	2,802,000
Total contributions by and distributions to owners	1	2,801,999	-	2,802,000
At 31 December 2019	8	17,633,959	(5,022,242)	12,611,725
At 1 January 2020	8	17,633,959	(5,022,242)	12,611,725
Comprehensive income for the year				
Profit for the financial year	-	-	272,497	272,497
	-	-	272,497	272,497
Total comprehensive income for the year				
Issue of share capital/premium	2	4,289,217	-	4,289,219
Total contributions by and distributions to owners	2	4,289,217	-	4,289,219
At 31 December 2020	<b>10</b>	<b>21,923,176</b>	<b>(4,749,745)</b>	<b>17,173,441</b>

The notes on pages 14 to 41 form part of these financial statements.

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**WAYRA UK LIMITED**


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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Loss for the year before tax		(8,867)	(604,008)
Adjustments for			
Depreciation of property, plant and equipment	9	294	219
Finance income		(72,487)	(29,147)
Finance costs		59,222	6,265
Investments fair value changes	10	(1,476,324)	(756,421)
		<u>(1,498,162)</u>	<u>(1,383,092)</u>
<b>Movements in working capital:</b>			
Decrease in trade and other receivables		791,383	417,281
Decrease in trade and other payables		(491,318)	(483,090)
		<u>(1,198,097)</u>	<u>(1,448,901)</u>
<b>Cash used in operations</b>		<b>(1,198,097)</b>	<b>(1,448,901)</b>
		<u>(1,198,097)</u>	<u>(1,448,901)</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	9	(1,504)	-
Investments in start-ups		(1,454,403)	(1,386,910)
		<u>(1,455,907)</u>	<u>(1,386,910)</u>
<b>Net cash used in investing activities</b>		<b>(1,455,907)</b>	<b>(1,386,910)</b>
		<u>(1,455,907)</u>	<u>(1,386,910)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	14	2	1
Premium on issue of ordinary shares	14	4,289,217	2,801,999
		<u>4,289,219</u>	<u>2,802,000</u>
<b>Net cash generated from financing activities</b>		<b>4,289,219</b>	<b>2,802,000</b>
		<u>4,289,219</u>	<u>2,802,000</u>
<b>Net cash increase/(decrease) in cash and cash equivalents</b>		<b>1,635,215</b>	<b>(33,811)</b>
		<u>1,635,215</u>	<u>(33,811)</u>
<b>Cash and cash equivalents at the beginning of year</b>	19	<b>1,497,646</b>	<b>1,531,457</b>
		<u>1,497,646</u>	<u>1,531,457</u>
<b>Cash and cash equivalents at the end of the year</b>	19	<b>3,132,861</b>	<b>1,497,646</b>
		<u>3,132,861</u>	<u>1,497,646</u>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**1. General Information**

Wayra UK Limited (the 'Company') is a limited company incorporated in UK. The Company's registered office is at 260 Bath Road, Slough, Berkshire, SL1 4DX. The Company's principal activity is acting as open innovation hub for digital start-up businesses and accelerates growth of the best digital business ideas.

**2. Accounting policies****2.1 Basis of preparation**

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared using historical cost principles.

The principal accounting policies of the Company applied in the preparation of these financial statements are set out below. The IFRS accounting policies have been applied consistently to all periods presented.

**2.2 Changes in accounting policies****i) New standards, interpretations and amendments effective from 1 January 2020**

	Effective date:
<b>New Standards and amendments</b>	annual periods beginning
	on or after
Amendments to References to Conceptual Framework in IFRS Standards	01-Jan-20
Definition of a Business (Amendments to IFRS 3)	01-Jan-20
Definition of Material (Amendments to IAS 1 and IAS 8)	01-Jan-20
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	01-Jan-20

The standards and interpretations were effective in 2020, but have not had a material impact on the Company

**2.3 Consolidated financial statements**

Under the provisions of section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements by virtue of the fact that the Company is a subsidiary of Telefonica S.A. Group which prepares group financial statements.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Going Concern**

The financial position of the Company is described above. In addition, notes 1 and 16 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk. Consequently, the Directors believe that the Company is well placed to manage its business risk successfully.

The Company has received a letter of parental support from Telefonica S.A, the ultimate parent company, which conforms that Telefonica S.A., will continue to provide financial support to the Company for a period of twelve months from the date of signing of the Auditors' Report in the financial statements. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.5 Functional and presentation currency**

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.6 Investments**

**2.6.1 Investments**

The Company classifies all of its equity investments and loan note investments as financial assets at fair value through the profit and loss in accordance with IFRS9. Revaluations are reflected directly into the profit and loss account.

Investment financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These financial assets are included in non-current assets until management intends to dispose of it within 12 months of the end of the reporting period.

The Company holds investments in convertible loan notes and equity shares in its investees.

Convertible loan notes can be converted to equity shares of the investee company at the Company's discretion and are automatically converted into equity shares of the debtor company in a number of circumstances indicated in each investment agreement, which typically include:

- if the debtor company secures equity investment from third parties above a certain threshold;
- if the debtor company undergoes a change of control; or
- on maturity date, which is two years from the issue date of the convertible loan note.

**2.6.2 Valuation of investments**

The fair values of investments are established using International Private Equity and Venture Capital Valuation Guidelines (IPEVCVG). The valuation methodology used by the Company is the 'price of the most recent investment' made by market participants approach. Given the nature of the Company's investments in start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. The Company considers that fair value estimates that are based entirely on observable market data will be of greater reliability than those based on assumptions and accordingly where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation.

Where the Company considers that the price of recent investment is no longer relevant and there are limited or no comparable companies or transactions from which to infer value, the Company carries out an enhanced assessment on the investee company's performance based on 8 business metrics: market opportunity, competitive environment, product/services status, commercial status, third-party financing, revenues, liquidity/solvency, and team. The following considerations are used when calculating the fair value:

- for investments in companies that have stopped operations: nil; or, if this is not applicable,
- for investments in companies within the first 8 months of being invested in by the Company: at cost; or if this is not applicable,
- for investments in companies with a low probability of sale for at least the carrying amount: nil; or, if nil; or, if this is not applicable,
- for investments in companies with a high probability of sale for at least the valuation in the last equity investment round in the investee company: mark-to-market as per the valuation used in the latest equity investment round in the investee company; or, if this is not applicable any other investment: previous carrying amount if earlier than 20 months after being invested in by Company, or 60.0% of the previous carrying amount if later than 20 months after being invested in by the Company.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2- Accounting policies (continued)**

The fair value adjustments in the investments is recognised in the statement of comprehensive income

**2.7 Taxation**

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

Deferred income tax and current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax relating to items recognised directly in other comprehensive income is also recognised directly in other comprehensive income.

**2.8 Fixed Assets**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Fixtures and fittings	4 years
Computer equipment	4 years

**2.9 Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**3. Critical accounting estimates, judgements and errors**

**3.1 Critical accounting estimates and judgements**

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. A significant change in the facts and circumstances on which these estimates are based could have a material impact on the Company's financial statements. The directors have made the following judgements and estimates that have the most significant effect on the carrying amounts of the assets and liabilities in the financial statements.

**Judgement**

**Valuation of Unquoted Equity Investments**

The judgements required to determine the appropriate valuation methodology of unquoted equity investments means there is a risk of material adjustment to the carrying amounts of assets and liabilities. These judgements include a decision whether or not to increase or decrease investment valuations.

The fair value of unlisted securities is established using International Private Equity and Venture Capital Valuation Guidelines (IPEVCVG). The valuation methodology used by the Company is the 'price of the most recent investment' made by market participants approach.

**Key sources of estimation uncertainty**

**Valuation of Unquoted Equity Investments**

Given the nature of the Company's investments in start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. The Company considers that fair value estimates that are based entirely on observable market data will be of greater reliability than those based on assumptions and accordingly where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation.

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**4. Revenue**

Revenue is recognised in the course of activities which include the rendering of services. The rendering of services is defined as involving the performance by the entity of a contractually agreed task over an agreed period of time. One of Wayra's principal activities is to provide acceleration services to the start-up business participating in its acceleration programme; therefore, the economic benefit which arises during the year comes from ordinary activities.

These services include:

- Office space to work in;
- On-site staff to offer advice and guidance to the start-ups and their projects;
- Appointment of mentors, usually from outside of Wayra, to offer advice and guidance to the start-ups and their projects;
- Providing access to the Wayra network of potential investors and/or purchasers and other entrepreneurs and practitioners from the seed capital industry; and
- Providing or arranging training sessions and presentations to the Company.

The total amount that Wayra charges to the start-ups for its services is recognised as revenue. The recognition of revenue occurs on the later date of the Wayra Academy start date and the signing of the Investment Agreement.

Other revenue relates to the sale of investments in start-ups. Gains on disposals are determined by comparing proceeds with carrying amount.

**5. Operating expenses**

	2020 £	2019 £
Cost of personnel provided by other companies	1,196,676	958,010
Rent	821,773	807,629
Other operating expense	1,035,601	1,631,290
	<u>3,054,050</u>	<u>3,396,929</u>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**6. Finance income and costs****Recognised in profit or loss**

	2020 £	2019 £
<b>Finance income</b>		
Interest receivable from group companies	72,487	29,147
<b>Total finance income</b>	<u>72,487</u>	<u>29,147</u>
<b>Finance expense</b>		
Foreign exchange losses	59,222	6,265
<b>Total finance expense</b>	<u>59,222</u>	<u>6,265</u>
<b>Net finance income recognised in profit or loss</b>	<u>13,265</u>	<u>22,882</u>

**7. Directors' emoluments and employees**

The Company had no contractual employees in the year ended 31 December 2020 (2019: nil). All employees are Telefonica Digital UK Ltd employees delivering services to Wayra UK Limited. All employee costs are recharged to the Company on a quarterly basis.

The monthly average number of employees (including executive directors) were:

	2020	2019
<b>Number for full time employee equivalents ( including executive Directors)</b>		
Technology	5	5
Administration	1	1
<b>Total Employees</b>	<u>6</u>	<u>6</u>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	2020 £	2019 £
<b>The expense incurred in respect of these employees was:</b>		
Wages and salaries	511,898	645,483
Social security costs	59,742	65,928
Other pension costs	29,805	20,207
Expenses	7,671	7,000
<b>Total employee benefits expense</b>	<b>609,116</b>	<b>738,618</b>
Other costs	25,348	-
<b>Total recharged to Wayra UK Limited</b>	<b>634,464</b>	<b>738,618</b>

The Directors are employees of other companies in the Telefonica Group and are remunerated for their services to the Telefonica Group as a whole. The emoluments and benefits paid to one of the Directors was borne by the Company. The services provided to the company by the rest of the Directors are minor compared to services provided to other group companies.

Amounts being recharged to the Company because of the services provided by one of the Directors in 2020 was €49,917 (2019, €5,000).

	2020 £	2019 £
Remuneration in respect of qualifying services	145,859	209,287
Redundancies	-	140,000
Contribution to pensions schemes	12,021	6,643
<b>Total net transactions</b>	<b>157,880</b>	<b>355,930</b>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**8. Tax credit****8.1 Income tax recognised in profit or loss**

	2020 £	2019 £
<b>Current tax</b>		
Current tax on loss for the year	(308,956)	(251,079)
Adjustments in respect of prior years	27,592	51,791
	<u>(281,364)</u>	<u>(199,288)</u>
<b>Total tax credit</b>		
Tax credit	(281,364)	(199,288)
	<u>(281,364)</u>	<u>(199,288)</u>

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2020 £	2019 £
Profit/(loss) for the year	272,497	(404,720)
Income tax credit	(281,364)	(199,288)
<b>Loss before income taxes</b>	<u>(8,867)</u>	<u>(604,008)</u>
Tax using the Company's domestic tax rate of 19.0% (2019:19.0%)	(1,685)	(114,762)
Capital allowances for the year in excess of depreciation	19,548	134,325
Prior year adjustment	27,592	51,791
Movement in deferred tax asset not recognised	(541)	(627)
Income not taxable	(326,278)	(270,015)
<b>Total tax credit</b>	<u>(281,364)</u>	<u>(199,288)</u>

**8.2 Deferred Tax balances**

The following is an analysis of the deferred tax assets/liabilities presented in the statement of financial position:

The movement on the deferred tax asset/(liability) is as shown below:

At 1 January 2019 and 31 December 2019

£  
Nil

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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Deferred tax assets totalling £2,415 (2019: £2,642) have not been recognised as it is not considered probable that future taxable profit will be available against which the assets can be utilised. All unrecognised deferred tax assets relate to fixed asset temporary differences.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the unrecognised deferred tax asset to £3,178.

**9. Property, plant and equipment**

	<b>Computer Equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 January 2019	1,606	-	1,606
<b>At 31 December 2019</b>	<u>1,606</u>	<u>-</u>	<u>1,606</u>
Additions	-	1,504	1,504
<b>At 31 December 2020</b>	<u>1,606</u>	<u>1,504</u>	<u>3,110</u>
	<b>Computer Equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	£	£	£
<b>Accumulated depreciation and impairment</b>			
At 1 January 2019	991	-	991
Charge owned for the year	219	-	219
<b>At 31 December 2019</b>	<u>1,210</u>	<u>-</u>	<u>1,210</u>
Charge owned for the year	219	75	294
<b>At 31 December 2020</b>	<u>1,429</u>	<u>75</u>	<u>1,504</u>
<b>Net book value</b>			
At 31 December 2017	615	-	615
At 31 December 2019	396	-	396
At 31 December 2020	<u>177</u>	<u>1,429</u>	<u>1,606</u>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**10. Investments in start-ups**

	2020 £	2019 £
<b>Fair value</b>		
At 1 January 2020	11,998,666	9,855,335
Additions	1,454,403	1,386,910
Fair value changes	1,476,324	756,421
<b>At 31 December 2020</b>	<b>14,929,393</b>	<b>11,998,666</b>

**Investments**

The breakdown of investments at FVTPL investments held by the Company at 31 December is as follows:

	2020 £	2019 £
Equity shares	13,636,127	11,074,988
Loan notes	1,293,266	923,678
	<b>14,929,393</b>	<b>11,998,666</b>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Investments**

As at 31 December the Company holds equity shares in the following companies:

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
Action.ai	50,087	2.9%	-	(50,087)	-	-	-	2.9%
AirGSM Holdings Inc.	-	0.0%	220,155	-	-	-	220,155	1.9%
Airtime Rewards	309,148	5.3%	-	-	-	-	309,148	5.3%
Ascension Ventures	49,920	1.5%	-	(19,968)	-	-	29,952	1.5%
Audioboom	-	0.5%	-	-	-	-	-	0.5%
Benikki Ltd	140,913	7.5%	-	(122,765)	-	-	18,148	7.5%
Baby2Body	252,699	5.1%	-	345,390	-	-	598,089	6.3%
Baobab Circle Ltd	80,000	1.8%	-	(32,000)	-	-	48,000	1.8%
Rap Tech Studios Ltd	153,196	5.0%	25,000	282,716	-	-	460,912	4.4%
Blue Ronin Ltd	-	3.7%	-	-	-	-	-	3.7%
Citystasher Ltd	134,000	2.5%	-	(11,652)	-	-	122,348	2.0%
Cloud66 Inc	34,956	9.4%	-	-	-	-	34,956	9.4%
Cloudwear Inc	-	2.0%	-	-	-	-	-	2.0%
CognitionX Ltd	72,166	1.6%	-	144,234	-	-	216,400	1.8%
Crowdreactive Ltd	221,631	4.0%	-	(221,631)	-	-	-	4.0%
CTech Group Ltd	-	0.0%	150,000	-	-	-	150,000	6.2%
Munch Delishery Ltd	-	4.6%	-	-	-	-	-	4.6%
HelloDone Ltd	134,000	3.4%	-	85,744	-	-	219,744	3.0%
DevicePilot Ltd	141,055	3.4%	-	(128,186)	-	-	12,869	2.2%
Digital Therapeutics Ltd	131,071	6.0%	-	1,206,859	-	-	1,337,930	3.5%
Green Park Content Ltd	224,819	2.2%	-	-	-	-	224,819	2.2%
28 Labs	40,800	3.1%	-	-	-	-	40,800	3.1%
<b>C/F</b>	<b>2,170,461</b>		<b>395,155</b>	<b>1,478,654</b>	<b>-</b>	<b>-</b>	<b>4,044,270</b>	

## WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## Investments in equity shares ( continued)

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
<b>B/F</b>	<b>2,170,461</b>		<b>395,155</b>	<b>1,478,654</b>	-	-	<b>4,044,270</b>	
Ensygnia Ltd	-	3.5%	-	-	-	-	-	3.5%
Sync.Money UK Ltd	40,800	1.5%	-	-	-	-	40,800	1.5%
Fabbed Ltd	170,739	3.6%	-	(170,739)	-	-	-	3.6%
Gordon Games Ltd	-	5.0%	-	-	-	-	-	5.0%
GUURU AG	126,000		-	(50,400)	-	-	75,600	1.5%
Hey Inc	-	10.0%	-	-	-	-	-	10.0%
Hospify	40,800	2.8%	-	-	-	-	40,800	2.4%
Incuto	95,106	3.5%	-	80	-	-	95,186	3.4%
Inkpact Marketing Ltd	14,688	6.6%	-	(5,848)	-	-	8,840	6.6%
Visionable Ltd	671,625	2.0%	-	373,125	-	-	1,044,750	1.3%
Joinhighbrow	58,500	5.1%	-	(28,275)	-	-	30,225	5.1%
JustYoyo Ltd	256,041	1.2%	-	(56,772)	-	-	199,269	0.5%
Launch Cloud LLC	-	0.0%	-	(16,000)	40,000	-	24,000	5.3%
Lobster IT Ltd	-	7.0%	-	-	-	-	-	7.0%
Localistico Ltd	163,875	1.8%	-	-	-	-	163,875	1.8%
MakeLight Interactive Ltd	-	10.3%	-	-	-	-	-	0.0%
Minicabit Ltd	69,115	4.5%	-	(27,518)	-	-	41,597	4.5%
MINGLCAST	-	8.5%	-	-	-	-	-	8.5%
NOTO Technologies Ltd	179,989	2.5%	-	(15,378)	-	-	164,611	2.5%
<b>C/F</b>	<b>4,057,739</b>		<b>395,155</b>	<b>1,480,929</b>	<b>40,000</b>	-	<b>5,973,823</b>	

## WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## Investments in equity shares ( continued)

Company	Fair value 2019 £	Holding % 2019	Additions 2020 £	Fair value adjustment 2020 £	Conversion 2020 £	Disposal 2020 £	Fair value 2020 £	Holding % 2020
<b>B/F</b>	4,057,739		395,155	1,480,929	40,000	-	5,973,823	
Ocyan	100,000		34,000	-	-	-	134,000	6.0%
Ori Industries Ltd	168,141	2.0%	75,000	199,338	-	-	442,479	2.3%
Our Path	462,107	1.5%	-	-	-	-	462,107	1.5%
Playcart Ltd	-	10.0%	-	-	-	-	-	10.0%
PixelPin	-	4.8%	-	-	-	-	-	4.8%
Picsoneye Segmentation li	350,732	2.8%	-	(391,990)	100,000	-	58,742	1.3%
Pzizz	27,434	5.0%	-	99,572	-	-	127,006	5.0%
Qudini Ltd	1,058,300	5.6%	-	126,996	-	-	1,185,296	5.6%
Removal Stars Ltd	-	0.0%	-	-	-	-	-	0.0%
RotaGeek Ltd	252,307	2.0%	-	80,533	-	-	332,840	1.5%
Red Sift Ltd	331,004	1.2%	-	-	-	-	331,004	1.2%
SafeToNet	192,959	0.6%	-	(89,654)	-	-	103,305	0.5%
Six3 Ltd	-	0.0%	-	-	-	-	-	0.0%
Skim.it Ltd	6,253	0.0%	-	(6,253)	-	-	-	0.0%
SECURIUM Ltd	-	0.0%	-	-	40,800	-	40,800	8.5%
Sensing Feeling Ltd	132,567	6.1%	-	(53,027)	-	-	79,540	6.1%
SKIMIT LOAN LIMITED	-	0.0%	-	-	-	-	-	0.0%
SHOPWAVE	-	4.5%	-	-	-	-	-	4.5%
Sonr News Ltd	-	0.7%	-	-	-	-	-	0.7%
SPLENTOLtd	84,664	1.4%	-	(64,264)	-	-	20,400	1.4%
Sponsorcraft Ltd	-	4.7%	-	-	-	-	-	4.7%
Spore London Limited d.b.i	808,015	4.4%	-	-	-	-	808,015	4.4%
Sustalnation Ltd	-	7.7%	-	-	-	-	-	7.7%
Switchee Ltd	258,095	2.8%	-	103,698	-	-	361,793	2.2%
SWIPIILABS	111,818	4.3%	-	-	-	-	111,818	3.0%
<b>C/F</b>	8,402,135		504,155	1,485,878	180,800	-	10,572,968	

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Investments in equity shares ( continued)**

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
<b>B/F</b>	<b>8,402,135</b>		<b>504,155</b>	<b>1,485,878</b>	<b>180,800</b>	<b>-</b>	<b>10,572,968</b>	
Trueview Ltd	-	8.0%	-	-	-	-	-	8.0%
Teammatch Ltd	-	7.0%	-	-	-	-	-	7.0%
We Are Percent Ltd	667,977	5.6%	-	-	-	-	667,977	5.6%
TestCard Ltd	67,650	0.5%	-	26,620	-	-	94,270	0.4%
Innerstrength Ltd. T/A Tick	-	7.0%	-	-	-	-	-	0.0%
Trilio Inc	-	0.0%	216,396	-	-	-	216,396	0.7%
USHERU	-	10.0%	-	-	-	-	-	10.0%
Wonky Star Ltd	-	3.9%	-	233,166	-	-	233,166	3.9%
WI-5 Technologies	1,708,826	4.6%	-	-	-	-	1,708,826	4.6%
Valerann	117,942	1.2%	-	(47,177)	-	-	70,765	1.2%
Vchain Technologies	72,830	0.5%	-	(29,131)	-	-	43,699	0.5%
We Are Digital	28,060	3.5%	-	-	-	-	28,060	1.2%
WINERIST	9,568	4.9%	-	(9,568)	-	-	-	0.0%
Xanview	-	6.3%	-	-	-	-	-	6.3%
<b>Total</b>	<b>11,074,988</b>		<b>720,551</b>	<b>1,659,788</b>	<b>180,800</b>	<b>-</b>	<b>13,636,127</b>	

## WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## Investments in equity shares ( continued)

As at 31 December the Company holds equity shares in the following companies

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2018	2018	2019	2019	2019	2019	2019	2019
	£		£	£			£	
Action.ai	50,087	2.9%	18,750	(18,750)			50,087	2.9%
Airtime Rewards	309,147	525.0%	25,000	(24,999)			309,148	5.25
Ascension, Ventures	49,920	1.5%	-	-			49,920	1.5%
Audioboom	7,691	0.5%	-	(7,691)			-	0.5%
Benikki Ltd	140,913	7.5%	-	-			140,913	7.5%
Baby2Body	37,494	5.1%	50,000	165,205			252,699	5.1%
Baobab Circle Ltd			-	-	80,000		80,000	1.8%
Battleme	73,272	5.0%	23,959	55,965			153,196	5.0%
Blue Ronin Ltd	169,932	3.7%	-	(169,932)			-	3.7%
Buddy Bounce Ltd	-	0.0%	-	-			-	0.0%
Citystasher Ltd		0.0%	-	-	134,000		134,000	2.5%
Chatterbox Analytics Ltd			-	-			-	0.0%
Cloud66 Inc	78,403	9.4%	-	(43,447)			34,956	9.4%
Cloudwear Inc	674,162	2.0%	-	(674,162)			-	2.0%
Cocomino Ltd		0.0%	-	-			-	0.0%
CognitionX Ltd	120,277	1.6%	120,000	(168,111)			72,166	1.6%
		4.0%	-	-			221,631	4.0%
Crowdreactive Ltd	221,631							
Munch Delishery Ltd		4.6%	-	-			-	4.6%
Dazzle Technologies Ltd			134,000	-			134,000	3.4%
1248 Ltd T/A		3.4%	-	110,369			141,055	3.4%
DevicePilot	30,686							
Digital Therapeutics Ltd	131,071	6.0%	-	-			131,071	6.0%
Doutissima Ltd	224,819	1.9%	-	-			224,819	1.9%
28 Labs	68,000	3.9%	-	(27,200)			40,800	3.1%
Ensygnia Ltd	82,084	3.5%	-	(82,084)			-	3.5%
Equal Eyes Solutions Ltd		10.0%	-	-			-	0.0%
<b>C/F</b>	<b>2,469,589</b>		<b>371,709</b>	<b>(884,837)</b>	<b>214,000</b>		<b>2,170,461</b>	

## WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## Investments in equity shares (continued)

Company	Fair value 2018 £	Holding % 2018	Additions 2019 £	Fair value adjustment 2019 £	Conversion 2019 £	Disposal 2019 £	Fair value 2019 £	Holding % 2019
<b>B/F</b>	<b>2,469,589</b>		<b>371,709</b>	<b>(884,837)</b>	<b>214,000</b>		<b>2,170,461</b>	
Find. Exchange	68,000	1.5%	-	(27,200)	-	-	40,800	1.5%
Fabbed Ltd	170,739	5.2%	-	-	-	-	170,739	3.6%
Gordon Games Ltd	-	5.0%	-	-	-	-	-	5.0%
GUURU AG	-	-	-	-	126,000	-	126,000	-
Hey Inc	-	10.0%	-	-	-	-	-	10.0%
Hospify	68,000	2.8%	-	(27,200)	-	-	40,800	2.8%
HQ MOBILE	-	0.0%	-	-	-	-	(0)	0.0%
Insane Logic Ltd	-	8.2%	-	-	-	-	-	0.0%
Incubapps	-	0.0%	-	-	-	-	-	0.0%
Incuto	95,106	3.5%	-	-	-	-	95,106	3.5%
Inkpact Marketing Ltd	21,080	0.0%	-	(6,392)	-	-	14,688	6.6%
IOCOM Ltd	108,445	0.0%	-	563,180	-	-	671,625	2.2%
Joinhighbrow	51,000	0.0%	-	7,500	-	-	58,500	5.1%
JustYoyo Ltd	256,041	1.2%	-	-	-	-	256,041	1.2%
Lobster IT Ltd	-	7.0%	-	-	-	-	-	7.0%
Localistico Ltd	8,089	0.0%	-	155,786	-	-	163,875	-
Makelight Interactive Ltd	-	10.3%	-	-	-	-	-	10.3%
Medarkive	-	0.0%	-	-	-	-	-	0.0%
Minicabit Ltd	99,193	4.5%	-	(30,078)	-	-	69,115	4.5%
MINGLCAST	-	8.5%	-	-	-	-	-	8.5%
NOTO Technologies Ltd	84,989	2.5%	95,000	-	-	-	179,989	2.5%
Narrato Ltd	-	0.0%	-	-	-	-	-	0.0%
Ocyan	-	-	100,000	-	-	-	100,000	6.6%
Ori Industries Ltd	-	0.0%	134,000	34,140	-	-	168,141	2.0%
Our Path	165,457	2.0%	-	296,650	-	-	462,107	1.5%
PixelPin	21,084	7.3%	-	(21,084)	-	-	-	4.8%
Picsoneye Segmentation Innovations Ltd	584,554	5.2%	-	(233,822)	-	-	350,732	2.8%
<b>C/F</b>	<b>4,271,366</b>		<b>700,709</b>	<b>(173,358)</b>	<b>340,000</b>		<b>5,138,718</b>	

## WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## Investments in equity shares (continued)

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2018	2018	2019	2019	2019	2019	2019	2019
	£		£	£	£	£	£	
B/F	4,271,366		700,709	(173,358)	340,000		5,138,718	
Pizz	39,372	5.0%	-	(11,939)			27,434	5.0%
Qudini Ltd	964,880	6.5%	-	93,420			1,058,300	5.6%
Removal Stars Ltd	-	0.0%	-	-			-	0.0%
RotaGeek Ltd	252,307	2.0%	-	-			252,307	2.0%
Red Sift Ltd	149,962	1.8%	6,088	174,954			331,004	1.2%
SafeToNet	192,959	0.6%	-	-			192,959	0.6%
Six3 Ltd	-	0.0%	-	-			-	0.0%
Skim.It Ltd	12,102	0.0%	-	(5,849)			6,253	0.0%
Sensing Feeling Ltd	-		-	-	132,566.92		132,567	6.1%
SKIMIT LOAN LIMITED	-	0.0%	-	-			-	0.0%
SHOPWAVE	19,440	4.5%	-	(19,440)			-	4.5%
Sonr News Ltd	-	0.7%	-	-			-	0.7%
SPLENTO Ltd	-		-	50,664	34,000.00		84,664	1.4%
Sponsorcraft Ltd	-	4.7%	-	-			-	4.7%
Spore London Limited d.b.a CODEC	131,307		-	(75,286)	751,994.00		808,015	4.4%
Sustaination Ltd	-	7.7%	-	-			-	7.7%
Switchee Ltd	29,675	2.8%	-	228,420			258,095	2.8%
SWIPIILABS	148,753	2.8%	-	(36,935)			111,818	4.3%
Taskhub Ltd	-	0.0%	-	-			-	0.0%
Trueview Ltd	-	8.0%	-	-			-	8.0%
Tank Top TV Ltd	-	10.0%	-	-			-	0.0%
Teammatch Ltd	-	7.0%	-	-			-	7.0%
TEAMFIRST	21,316	6.0%	-	646,661			667,977	6.0%
TestCard Ltd	-		67,650	-			67,650	0.5%
Innerstrength Ltd. T/A TickerFit	21,080	7.0%	-	(21,080)			-	7.0%
<b>Total</b>	<b>6,254,519</b>		<b>774,446</b>	<b>850,233</b>	<b>1,258,561</b>		<b>9,137,759</b>	

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Investments in equity shares (continued)**

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2018	2018	2019	2019		2019	2019	2019
	£		£	£			£	
B/F	6,254,519	-	774,446	850,233	1,258,561		9,137,759	
USHERU	-	10.0%	-	-	-	-	-	10.0%
Wonky Star Ltd	9,223	3.9%	-	(9,223)	-	-	-	3.9%
WI-5 Technologies	1,708,826	4.6%	-	-	-	-	1,708,826	4.6%
Valerann	117,947	1.2%	-	(5)	-	-	117,942	1.2%
Vchain Technologies	67,004	0.5%	-	5,826	-	-	72,830	0.5%
WeAreDigital	-	-	-	(6,940)	35,000	-	28,060	3.5%
WINERIST	15,897	4.9%	-	(6,329)	-	-	9,568	4.9%
Xanview	-	6.3%	-	(21,080)	21,080	-	-	6.3%
<b>Total</b>	<b>8,173,417</b>		<b>774,446</b>	<b>812,482</b>	<b>1,314,641</b>	<b>-</b>	<b>11,074,988</b>	<b>-</b>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Investments in convertible loan notes**

As at 31 December the Company holds investments in convertible loan notes in the following companies

Company	Book Amount	Additions	Fair value	Conversion	Disposal	Book value
	2019	2020	adjustment	2020	2020	2020
	£	£	£	£	£	£
Studio Novitas Ltd	-	68,000	-	-	-	68,000
Innovate Energy Solutions	100,000	52,500	-	-	-	152,500
Cloud66 Inc	30,214	-	-	-	-	30,214
CloudNC	-	225,352	-	-	-	225,352
Fcase Ltd	-	50,000	-	-	-	50,000
Jobskilla Ltd	21,000	-	(21,000)	-	-	-
Kudobuzz Ltd	68,000	-	(27,200)	-	-	40,800
Launch Cloud LLC	40,000	-	-	(40,000)	-	-
Medwise Ltd	-	102,000	-	-	-	102,000
Popertee Ltd	79,464	-	(79,464)	-	-	-
Ohalo Ltd	200,000	34,000	-	-	-	234,000
Picsoneye Segmentation Innovations Ltd	100,000	-	-	(100,000)	-	-
POBUCA Ltd	20,400	-	-	-	-	20,400
SECURIUM Ltd	40,800	-	-	(40,800)	-	-
Strawberry Energy Ltd	-	100,000	-	-	-	100,000
Vensy Ltd	55,800	-	(55,800)	-	-	-
Vinehealth Ltd	-	68,000	-	-	-	68,000
Virtue Health Inc	68,000	-	-	-	-	68,000
WITSY Ltd	100,000	34,000	-	-	-	134,000
<b>Total</b>	<b>923,678</b>	<b>733,852</b>	<b>(183,464)</b>	<b>(180,800)</b>	<b>-</b>	<b>1,293,266</b>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Investments in convertible loan notes ( continued)**

As at 31 December the company holds investments in convertible loan notes in the following companies

Company	Book Amount	Additions	Fair value adjustment	Conversion	Disposal	Book value
	2018	2019	2019	2019	2019	2019
	£	£	£	£	£	£
Baobab Circle Ltd	68,000	-	12,000	(80,000)	-	-
Innovate Energy Solutions	100,000	-	-	-	-	100,000
Cloud66 Inc	30,214	-	-	-	-	30,214
GUURU AG	86,000	40,000	-	(126,000)	-	-
Jobskilla Ltd	35,000	-	(14,000)	-	-	21,000
Jollydeck Ltd	6,631	-	(6,631)	-	-	-
Kudobuzz Ltd	68,000	-	-	-	-	68,000
Launch Cloud LLC	40,000	-	-	-	-	40,000
Popertee Ltd	68,000	11,464	-	-	-	79,464
Ohalo Ltd	-	200,000	-	-	-	200,000
Picsoneye Segmentation Innovations Ltd	-	100,000	-	-	-	100,000
POBUCA Ltd	34,000	-	(13,600)	-	-	20,400
SECURIUM Ltd	68,000	-	(27,200)	-	-	40,800
Spore London Limited d.b.a CODEC	751,994	-	-	(751,994)	-	-
Sensing Feeling Ltd	68,000	34,000	30,567	(132,567)	-	-
Citystasher Ltd	100,000	34,000	-	(134,000)	-	-
Splento Ltd	34,000	-	-	(34,000)	-	-
Xanview	21,080	-	-	(21,080)	-	-
Vensy Ltd	68,000	25,000	(37,200)	-	-	55,800
Virtue Health Inc	-	68,000	-	-	-	68,000
We Are Digital Training Ltd	35,000	-	-	(35,000)	-	-
WITSY Ltd	-	100,000	-	-	-	100,000
<b>Total</b>	<b>1,681,919</b>	<b>612,464</b>	<b>(56,064)</b>	<b>(1,314,641)</b>	<b>-</b>	<b>923,678</b>

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**11. Investments in subsidiary companies**

	2020 £	2019 £
Investments in subsidiary companies	2	2
	<u>2</u>	<u>2</u>

Details of the Company's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company (%)	
			2020	2019
1) Wayra Social Ventures Limited	Investment	England and Wales	100	100

**12. Trade and other receivables**

	2020 £	2019 £
Trade Receivables	144,031	324,175
Amounts owed by group companies	385,444	623,832
Other receivables	11,041	11,041
<b>Total trade and other receivables</b>	<u><u>540,516</u></u>	<u><u>959,048</u></u>

Amounts owed by other group companies relate to regular activities are unsecured, interest-free, repayable on demand and include balances due for tax losses claimed by way of group relief.

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**13. Trade and other liabilities**

	2020 £	2019 £
Trade payables	594,245	458,017
Amounts owed to group companies	716,831	1,093,242
Accruals	5,290	4,395
Other payables	16,724	43,643
Deferred income	97,847	263,736
<b>Total trade and other payables</b>	<b>1,430,937</b>	<b>1,863,033</b>

Amounts owed to other group companies relate to regular activities are unsecured, interest-free, and repayable on demand.

**14. Share capital**

	2020 Number	2020 £	2019 Number	2019 £
<b>Shares treated as equity</b>				
Ordinary shares of £1.00 each	10	10	8	8
	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>

**Issued and fully paid**

	2020 Number	2020 £	2019 Number	2019 £
<b>Ordinary shares of £1.00 each</b>				
At 1 January	8	8	7	7
Shares issued	2	2	1	1
<b>At 31 December</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Company has a single class of share capital, comprising ordinary shares of £1 each. Subject to the Company's Articles of Association, and applicable law, the Company's ordinary shares confer on the holder, the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding up of the Company and an entitlement to receive any dividend declared on ordinary shares but not the right of redemption of shares. The authorised number of shares issued by the company is ten.

In 2019 the Company issued one £1 ordinary share to Telefonica Open Innovation S.L.U. (previously Wayra Investigacion y Desarrollo S.L.U) for a consideration of £2,802,000 which includes a share premium of £2,801,999. Cash generated has been used to finance the Company's operations.

In January 2020 the Company issued one £1 ordinary share to Telefonica Open Innovation S.L.U. for a consideration of £984,219 which includes a share premium of £984,218. Cash generated has been used to finance the Company's operations.

In September 2020 the Company issued one £1 ordinary share to Telefonica Open Innovation S.L.U. a consideration of £3,305,000 which includes a share premium of £3,304,999. Cash generated has been used to finance the Company's operations.

**15. Accumulated losses**

Accumulated losses represents cumulative profits and losses generated in prior years.

**16. Financial Instruments - fair values and risk management**

**16.1 Financial risk management objectives**

The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk and foreign currency risk.

The main financial risks of the Company and how the Company manages these risks are discussed below.

**16.2 Foreign currency risk management**

The Company operates in the United Kingdom and therefore there is low exposure to transactional foreign currency risk.

**16.3 Credit risk management**

The Company is exposed to credit risk from its operating and financing activities. The maximum exposure to credit risk is partly represented by the carrying amount of the financial assets that are carried in the statement of financial position.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Liquidity risk**

Management of the Company's liquidity risk is achieved mostly through being a part of the larger Telefonica Group, which operates group wide policies in this area.

**Capital management**

The Company's capital comprises share capital and retained earnings.

The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate as a going concern, to maintain optimal capital structure commensurate with risk and return and to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may pay dividends to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt or draw down more debt.

**17. Parent company and controlling party**

At 31 December 2020 the immediate parent company was Telefonica Open Innovation, S.L.U. (previously Wayra Investigacion y Desarrollo S.L.U), a company incorporated in Spain with their registered office at Ronda de la Comunicacion, s/n 28050 Madrid. Telefonica Open Innovation S.L.U is a wholly owned subsidiary of Telefonica Digital Holdings, S.L.U, a company incorporated in Spain, which is itself a wholly owned subsidiary of Telefonica S.A., a company incorporated in Spain.

The ultimate parent company and controlling party at 31 December 2020 Telefonica S.A., a company incorporated in Spain. Telefónica Group is the largest and smallest group for which group financial statement are drawn up and of which the company is a member, of which Telefonica S.A. is the largest member. Copies of the financial statements of Telefonica S.A. may be obtained from Gran Vía 28, Madrid, Spain, 28013.

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**WAYRA UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**18. Related party transactions**

Related party transactions are as follows:

2020

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
	£	£	£	£
Telefonica UK Limited	255,029	-	319,361	41,735
Pleyade Peninsular	2	615	-	-
Telfisa Global BV	2,923	-	-	-
Telfin Ireland Ltd	533	45,082	-	-
Wayra Social Ventures Limited	23,807	-	54,083	-
Telefonica Open Innovation S.L.U.	-	220	-	115,918
Telefonica Digital Limited	-	1,568,858	-	559,178
Telefonica Digital España S.L.	-	-	12,000	-
	<u>282,294</u>	<u>1,614,775</u>	<u>385,444</u>	<u>716,831</u>

As at 31 December 2020, the company also hold a cash and cash equivalent balance with Telfisa Global BV amounting to £3,132,861 (2019: £ 1,497,646) classified as "Cash and cash equivalents" in the statement of financial position.

**WAYRA UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

2019

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
Telefonica UK Limited	-	5,000	581,558	375,712
Telfisa Global BV	23,328	2	-	-
Telfin Ireland Ltd	2,534	59,101	-	14,098
Wayra Social Ventures Limited	-	-	30,274	-
Telefonica Open Innovation S.L.U.	160	-	-	115,698
Telefonica Digital Limited	-	1,611,895	-	587,734
Telefonica Digital España S.L.	-	-	12,000	-
	<b>26,022</b>	<b>1,675,998</b>	<b>623,832</b>	<b>1,093,242</b>

**19. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank available on demand	3,132,861	1,497,646
<b>Cash and cash equivalents in the statement of financial position</b>	<b>3,132,861</b>	<b>1,497,646</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>3,132,861</b>	<b>1,497,646</b>

**20. Commitments**

a) Operating lease commitments

The company has a lease agreement in place with Telefonica Digital Limited for the office space located in 20 Air Street, London for an annual rental expense of £821,773 (2019: £807,000). The duration of the contract is for 1 year and it is automatically renewed.

In 2020, the company has not recognised a right-of-use asset for this lease as they have taken the exemption for the short-term leases.

**21. Auditors' remuneration**

The Company has been charged £9,307 (2019: £9,187) in relation to audit fees.

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**WAYRA UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**22. Post balance sheet events**

The Company has made 4 new investments in the following portfolio companies:

- Omniflow – £174,492.31
- Guuru – £30.46
- Aura Vision – £217,400.26
- Hiya Inc – £213,252.90

There are no other material subsequent events after the balance sheet date.