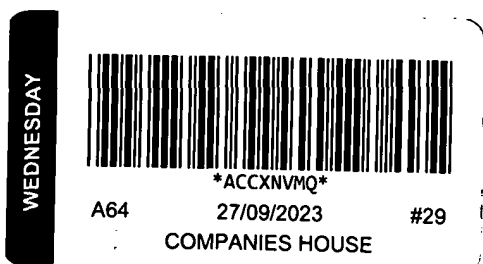


**RAVELIN TECHNOLOGY LTD**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**COMPANY INFORMATION**

<b>Directors</b>	Robert Simon Dighero Vinoth Jayakumar Nicholas James Lally Maxime Arthur William Mandin Mairtin Seosaimh O'riada Manjari Chandran Ramesh Martin Hugh Sweeney
<b>Registered number</b>	09273460
<b>Registered office</b>	5th Floor Classic House 174-180 Old Street London EC1V 9BP
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor MindSpace 9 Appold Street London EC2A 2AP

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**CONTENTS**

	Page
<b>Group strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 5
<b>Independent auditor's report</b>	6 - 9
<b>Consolidated statement of comprehensive income</b>	10
<b>Consolidated balance sheet</b>	11
<b>Company balance sheet</b>	12 - 13
<b>Consolidated statement of changes in equity</b>	14 - 15
<b>Company statement of changes in equity</b>	16 - 17
<b>Consolidated statement of cash flows</b>	18
<b>Consolidated analysis of net debt</b>	19
<b>Notes to the financial statements</b>	20 - 39

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**Introduction**

The directors present their Strategic Report for the Group for the year ended 31 December 2022.

**Principal activity**

The principal activity of the Group during the year was the development and supply of fraud detection software.

**Business review**

Ravelin grew steadily during the financial year, with revenue growth of 19.5% from 2021 to 2022. Gross margins in 2022 remained consistent with 2021. Losses for the year totaled £3,604,866 (2021 - £4,709,550 loss) which is inline with group expectations. Ravelin experienced exceptional customer success during 2022, retaining 100% of clients whose contracts were due for renewal. Ravelin has adopted a remote first business model, with staff being able to work remotely. Many staff have chosen not to be office based, which will translate to lower office expenditure in future years as the team scales. During the year Ravelin also launched a number of new products, enabling cross-sell opportunities and growth throughout 2022. As at the balance sheet date, Ravelin had £9,636,368 in the bank, providing sufficient liquidity for the 2023 financial year and beyond.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**Principal risks and uncertainties**

The Group's business is subject to a number of risks and uncertainties which could have a material adverse impact on the business. The factors discussed in this section are not an exhaustive list but are considered some of the principal risks and uncertainties faced by the Group.

*Pricing risk*

Pricing risk is the risk that the movement in the price of the Group's direct costs will adversely affect the profitability of the business. The Group manages this risk by, wherever possible, adding CPI increase clauses in our customer contracts. The main direct costs for the business are staff, cloud infrastructure and office expenses. For those customer contracts that are up for renewal the Group is negotiating higher pricing to counter for our increased staff costs. The Group, where applicable, is beginning to charge for enhanced professional services. As the Group has adopted a remote first workforce, where possible the Group is exploring hiring staff in less expensive locations outside of the UK. The Group combats the increase of cloud infrastructure costs by signing long term contracts in exchange for cheaper pricing.

*Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Group manages this risk by keeping its credit terms to 30 days wherever possible, and also by collecting funds by direct debit for its smaller clients. During the pandemic, the Group supported its most vulnerable clients, by offering them discounts in exchange for longer fixed term contracts. This resulted in happier, more financially stable, retained customers.

*Liquidity risk*

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty meeting its financial obligations as they fall due. Liquidity risk for the Group is primarily driven by credit risk, which currently remains low. The Group manages this risk by closely monitoring its receivables. The Group's client base is predominantly in the Enterprise space, where the credit risk is low.

*Regulatory risk*

During the last two years the EU has rolled out its Second Payments Services Directive (PSD2). Part of this regulation was aimed at reducing the amount of fraud in eCommerce by enforcing more use of two factor authentication at the point of sale. This posed a risk to the Group because more 2 factor authentication, could lead to a reduced reliance on the Group's core payment fraud product. The Group has encountered this risk in 3 ways: Firstly, the Group expanded its product set to include a 2 factor authentication solution (3DS2); secondly the Group expanded the fraud types that its product covers to catch types of fraud outside of payment fraud (Account Takeover, Promotional Code Abuse, Returns and Refund Abuse, Supplier Abuse); and finally to expand its geographical reach to countries without such regulations. This has reduced the impact of any regulatory changes.

*Foreign exchange risk*

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. The Group has a natural hedge between its customers billed in foreign currency and the local expenses it bears in those currencies. So far this has kept the FX risk to a minimum. Should this natural hedge become unbalanced in the future, the Group may look to address any risk through forward currency contracts.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**Financial key performance indicators**

Details of the Group's financial instruments and its policies regarding financial risk management are given in the notes to the financial statements.

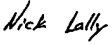
The Group's key financial performance indicators during the year were as follows:

	2022	2021
Turnover (£)	13,187,724	11,035,789
Gross Profit margin (%)	77	79
Loss before tax	5,165,481	5,951,570
	<u>18,353,282</u>	<u>16,987,438</u>

**Future developments**

The Group plans to continue to support its current and future clients with its existing and recently released products set. The Group has a strong pipeline of active opportunities and is at the changing face of merchant fraud.

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

DocuSigned by:  
  
1855B846579C4AB...  
**Nicholas James Lally**  
Director

Date: 1 August 2023

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**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' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the year, after taxation, amounted to £3,584,009 (2021: loss £3,662,459).

No dividends were paid or proposed during the year (2021 - £Nil).

**Directors**

The directors who served during the year were:

Robert Simon Dighero  
Vinoth Jayakumar  
Nicholas James Lally  
Maxime Arthur William Mandin  
Mairtin Seosaimh O'riada  
Manjari Chandran Ramesh  
Martin Hugh Sweeney

**Research and development activities**

The Group continues as active programme of research and development, enhancing and updating current products and extending the product range.

**Matters covered in the Group Strategic Report**

Where necessary, disclosures relating to principal risks & uncertainties and future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

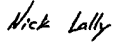
**Post balance sheet events**

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

**Auditor**

The auditor, Cooper Parry Group Limited, 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 by:

DocuSigned by:  
  
1855B846579C4AB...

Nicholas James Lally  
Director

Date: 1 August 2023

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVELIN TECHNOLOGY LTD**

**Opinion**

We have audited the financial statements of RAVELIN TECHNOLOGY LTD (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 and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 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 Auditor's 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.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVELIN TECHNOLOGY LTD  
(CONTINUED)**

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 4, 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.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVELIN TECHNOLOGY LTD  
(CONTINUED)**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the key laws and regulations that are applicable to the company. We determined that the most significant laws and regulations in the context of the financial statements included but were not limited to the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We also assessed which areas of the financial statements are more susceptible to misstatement. We considered the opportunities and incentives that may exist within the organisation for fraud, and identified the greatest potential for fraud in revenue recognition, particularly in respect of any manual adjustments made to revenue outside of the day to day recording of transaction and also the potential for off balance sheet items to be considered on balance sheet. We are also mandated to perform specific procedures under ISAs (UK) to respond to the risk of management override.

The primary responsibility for the prevention and detection of fraud and irregularities rests with those charged with governance of the company and management. We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

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

- Making enquiries of management regarding any instances of known or suspected fraud or non-compliance with laws and regulations, as well as any actual or potential litigation and claims;
- Gaining an understanding of the design and implementation of the processes and controls in place within the company which are designed to prevent, detect or correct fraud or error within the financial statements.

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

- Reviewed correspondence with legal and regulatory bodies where applicable;
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Reviewed the detail of certain nominal accounts for indications of management override;
- Challenged the accounting treatment applied in respect of revenue recognised during the year, in particular in relation to manual adjustments made to revenue;
- Identified and tested journal entries which we considered to be unusual and may be indicative of bias on the part of management or those charged with governance, investigating the rationale behind significant or unusual transactions;
- Reviewed the minutes of meetings of management and those charged with governance;

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVELIN TECHNOLOGY LTD  
(CONTINUED)**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- We agreed the financial statements disclosures to underlying supporting documentation.
- Inherent limitations of an audit.

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

**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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Leith (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor

MindSpace 9  
Appold Street  
London  
EC2A 2AP

1 August 2023

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

	Note	2022 £	Restated 2021 £
Turnover	4	13,187,724	11,035,789
Cost of sales		(2,956,779)	(2,317,295)
<b>Gross profit</b>		<u>10,230,945</u>	<u>8,718,494</u>
Administrative expenses		(15,624,495)	(13,657,291)
<b>Operating loss</b>	5	(5,393,550)	(4,938,797)
Interest receivable and similar income	9	31,369	34,425
Interest payable and similar expenses	10	-	(107)
<b>Loss before taxation</b>		<u>(5,362,181)</u>	<u>(4,904,479)</u>
Tax on loss	11	1,778,172	1,242,020
<b>Loss for the financial year</b>		<u>(3,584,009)</u>	<u>(3,662,459)</u>
Currency translation differences		1,737	9,257
<b>Total comprehensive income for the year</b>		<u>(3,582,272)</u>	<u>(3,653,202)</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

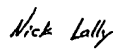
The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**  
**REGISTERED NUMBER: 09273460**

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

	Note		2022 £	Restated 2021 £
<b>Fixed assets</b>				
Tangible assets	14		89,294	106,982
			89,294	106,982
<b>Current assets</b>				
Debtors due after more than 1 year	16	126,533	126,533	
Debtors due within 1 year	16	4,960,779	3,900,834	
Cash at bank and in hand		9,636,368	13,345,737	
		14,723,680	17,373,104	
Creditors: amounts falling due within one year	17	(1,784,032)	(1,604,641)	
<b>Net current assets</b>			12,939,648	15,768,463
<b>Total assets less current liabilities</b>			13,028,942	15,875,445
Creditors: amounts falling due after more than one year			(877,340)	(625,565)
<b>Provisions for liabilities</b>				
Other provisions	19	(80,000)	(18,505)	
<b>Net assets</b>			12,071,602	15,231,375
<b>Capital and reserves</b>				
Called up share capital	20		4,355	4,320
Share premium account	21		28,947,540	28,947,110
Foreign exchange reserve	21		19,515	17,778
Other reserves	21		1,587,665	1,362,327
Profit and loss account	21		(18,487,473)	(15,100,160)
<b>Shareholders' funds</b>			12,071,602	15,231,375

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

DocuSigned by:  
  
 18558846579C4AB...

**Nicholas James Lally**  
 Director

Date: 1 August 2023

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**  
**REGISTERED NUMBER: 09273460**

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

	Note	2022 £	Restated 2021 £
<b>Fixed assets</b>			
Tangible assets	14	86,313	102,940
Investments	15	9	9
		<u>86,322</u>	<u>102,949</u>
<b>Current assets</b>			
Debtors due within 1 year	16	5,004,673	4,497,161
Debtors due after more than 1 year	16	126,533	126,533
Cash at bank and in hand		9,514,707	12,810,265
		<u>14,645,913</u>	<u>17,433,959</u>
Creditors: amounts falling due within one year	17	(1,867,282)	(1,792,907)
<b>Net current assets</b>		<u>12,778,631</u>	<u>15,641,052</u>
<b>Total assets less current liabilities</b>		<u>12,864,953</u>	<u>15,744,001</u>
Creditors: amounts falling due after more than one year		(877,340)	(625,565)
<b>Provisions for liabilities</b>			
Other provisions	19	(80,000)	(18,505)
<b>Net assets</b>		<u><u>11,907,613</u></u>	<u><u>15,099,931</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	4,355	4,320
Share premium account	21	28,947,540	28,947,110
Other reserves	21	1,587,665	1,362,327
Profit and loss account brought forward		(15,213,826)	(11,851,501)
Loss for the year		(3,614,817)	(3,484,690)
Other changes in the profit and loss account		196,696	122,365
		<u>(18,631,947)</u>	<u>(15,213,826)</u>
Profit and loss account carried forward		<u><u>11,907,613</u></u>	<u><u>15,099,931</u></u>

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT  
REGISTERED NUMBER: 09273460**

**COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2022**

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. During the year, the Company made a loss of £3,614,817 (2021 - £3,484,690 loss)

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

**Nicholas James Lally**   
Director 1855B846579C4AB...

Date: 1 August 2023

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 January 2022	4,320	28,947,110	17,778	1,362,327	(15,100,160)	15,231,375	15,231,375
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(3,584,009)	(3,584,009)	(3,584,009)
Currency translation differences	-	-	1,737	-	-	1,737	1,737
Share-based payment vested	-	-	-	(196,696)	196,696	-	-
Share-based payment charge	-	-	-	422,034	-	422,034	422,034
<b>Other comprehensive income for the year</b>	-	-	1,737	225,338	196,696	423,771	423,771
<b>Total comprehensive income for the year</b>	-	-	1,737	225,338	(3,387,313)	(3,160,238)	(3,160,238)
<b>Contributions by and distributions to owners</b>							
Shares issued during the year	35	430	-	-	-	465	465
<b>Total transactions with owners</b>	35	430	-	-	-	465	465
<b>At 31 December 2022</b>	<b>4,355</b>	<b>28,947,540</b>	<b>19,515</b>	<b>1,587,665</b>	<b>(18,487,473)</b>	<b>12,071,602</b>	<b>12,071,602</b>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 January 2021	4,307	28,946,566	27	1,108,957	(11,560,066)	18,499,791	18,499,791
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(3,662,459)	(3,662,459)	(3,662,459)
Currency translation differences	-	-	17,751	-	-	17,751	17,751
Share-based payment vested	-	-	-	(122,365)	122,365	-	-
Share-based payment charge	-	-	-	375,735	-	375,735	375,735
<b>Other comprehensive income for the year</b>	-	-	17,751	253,370	122,365	393,486	393,486
<b>Total comprehensive income for the year</b>	-	-	17,751	253,370	(3,540,094)	(3,268,973)	(3,268,973)
<b>Contributions by and distributions to owners</b>							
Shares issued during the year	13	544	-	-	-	557	557
<b>Total transactions with owners</b>	13	544	-	-	-	557	557
<b>At 31 December 2021</b>	<b>4,320</b>	<b>28,947,110</b>	<b>17,778</b>	<b>1,362,327</b>	<b>(15,100,160)</b>	<b>15,231,375</b>	<b>15,231,375</b>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

**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
	£	£	£	£	£
At 1 January 2022	4,320	28,947,110	1,362,327	(15,213,826)	15,099,931
Loss for the year	-	-	-	(3,614,817)	(3,614,817)
Transfer for exercised options	-	-	(196,696)	196,696	-
Share-based payment charge	-	-	422,034	-	422,034
Shares issued during the year	35	430	-	-	465
<b>Total transactions with owners</b>	<b>35</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>465</b>
<b>At 31 December 2022</b>	<b>4,355</b>	<b>28,947,540</b>	<b>1,587,665</b>	<b>(18,631,947)</b>	<b>11,907,613</b>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	4,307	28,946,566	1,108,957	(11,851,501)	18,208,329
Loss for the year	-	-	-	(3,484,690)	(3,484,690)
Transfer for exercised options	-	-	(122,365)	122,365	-
Share-based payment charge	-	-	375,735	-	375,735
Shares issued during the year	13	544	-	-	557
<b>Total transactions with owners</b>	<b>13</b>	<b>544</b>	<b>-</b>	<b>-</b>	<b>557</b>
<b>At 31 December 2021</b>	<b>4,320</b>	<b>28,947,110</b>	<b>1,362,327</b>	<b>(15,213,826)</b>	<b>15,099,931</b>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year	(3,584,009)	(3,662,459)
<b>Adjustments for:</b>		
Depreciation of tangible assets	61,979	64,468
Loss on disposal of tangible assets	5,979	6,117
Interest paid	-	107
Interest received	(31,369)	(34,425)
Taxation charge	(1,778,172)	(1,242,020)
(Increase) in debtors	(1,217,414)	(121,910)
Increase in creditors	355,989	416,304
Increase in provisions	61,495	-
Corporation tax received	1,769,660	939,043
Share-based payment expense	422,034	375,735
Warrant options charge	251,775	328,803
Foreign exchange	1,737	9,257
<b>Net cash generated from operating activities</b>	<b>(3,680,316)</b>	<b>(2,920,980)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(54,261)	(77,604)
Sale of tangible fixed assets	(6,626)	-
Interest received	31,369	34,425
<b>Net cash from investing activities</b>	<b>(29,518)</b>	<b>(43,179)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	465	557
Interest paid	-	(107)
<b>Net cash used in financing activities</b>	<b>465</b>	<b>450</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,709,369)</b>	<b>(2,963,709)</b>
Cash and cash equivalents at beginning of year	13,345,737	16,309,446
<b>Cash and cash equivalents at the end of year</b>	<b>9,636,368</b>	<b>13,345,737</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	9,636,368	13,345,737
	<b>9,636,368</b>	<b>13,345,737</b>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

**CONSOLIDATED ANALYSIS OF NET DEBT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>At 1 January 2022 £</b>	<b>Cash flows £</b>	<b>At 31 December 2022 £</b>
Cash at bank and in hand	13,345,737	(3,709,369)	9,636,368
Debt due within 1 year	(56,969)	(7,985)	(64,954)
	<u>13,288,768</u>	<u>(3,717,354)</u>	<u>9,571,414</u>

The notes on pages 20 to 39 form part of these financial statements.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**1. General information**

Ravelin Technology Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 09273460). The registered office address is 5th Floor, Classic House, 174-180 Old Street, London, EC1V 9BP.

**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 (see note 3).

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 and Statement of cashflow in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

**2.3 Going concern**

Since incorporation the company has undertaken a series of successful equity fund raising to fund the development of the business and believe that sufficient cash resources will be available to finance the business for the foreseeable future. The Group has healthy cash reserves at the balance sheet date. The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statement. The detailed projections demonstrate the company is forecast to remain cash positive and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

**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 and is rounded to the nearest pound (£).

**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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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 Turnover**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Turnover is shown net of returns, rebates, discounts, VAT and other sales related taxes.

The Group recognises turnover as follows:

- Turnover arising from contracts based on the number of transactions completed or those on variable pricing arrangements, is recognised once a transaction is delivered on the customer's system.
- Turnover arising from fixed contracts is recognised on a straight-line basis over the lifetime of the contract with amounts billed in advance deferred accordingly.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**2. Accounting policies (continued)**

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Interest income**

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

**2.8 Finance costs**

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

**2.9 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.

**2.10 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 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.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**2. Accounting policies (continued)**

**2.11 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:

Long-term leasehold property	- over 5 years
Office equipment	- over 4 years
Computer equipment	- over 3 years

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.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.13 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.

**2.14 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.

**2.15 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.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**2. Accounting policies (continued)**

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.17 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Impairment of fixed assets**

The directors assesses the impairment of fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy; and
- Significant negative industry or economic trends.

**Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Impairment of investments**

The directors review the carrying value of investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the investment is subject to further testing to determine whether its carrying value exceeds the recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

**Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

**Leases**

The directors determine whether leases entered into by the company either as a lessor or lessee are an operating leases or a finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

**Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due. Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

**Provisions**

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**3. Judgments in applying accounting policies (continued)**

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

**Fair value calculations**

Management believe the estimates used to establish a fair value for share based payments, using the Black Scholes pricing model, and warrant instruments using the Discounted Cash flow model are a key source of estimation uncertainty. The inputs to the fair value model reflect managements best estimate.

**4. Turnover**

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

	2022 £	2021 £
Fraud detection software	13,187,724	11,035,789
	<u>13,187,724</u>	<u>11,035,789</u>

All turnover arose from activities undertaken in the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation	61,979	62,132
Exchange differences	(78,612)	9,194
Other operating lease rentals	272,725	(313,976)
Share-based payment	422,034	1,380,006
Warrant charge	251,775	328,803
	<u>251,775</u>	<u>328,803</u>

**6. Auditor's remuneration**

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

	2022 £	2021 £
Auditor remuneration	29,500	31,920
Taxation compliance services	-	5,780
All other services	2,500	4,200
	<u>2,500</u>	<u>4,200</u>

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**7. Employees**

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	8,841,428	8,391,627	8,393,811	7,404,389
Social security costs	199,517	70,588	199,517	70,588
Cost of defined contribution scheme	41,199	38,400	41,199	38,400
	<u>9,082,144</u>	<u>8,500,615</u>	<u>8,634,527</u>	<u>7,513,377</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Sales, Marketing & Accounts Management	25	23	21	19
Operations	8	8	8	8
Engineering, Product & Client Support	66	64	66	64
	<u>99</u>	<u>95</u>	<u>95</u>	<u>91</u>

**8. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	490,174	459,349
Group contributions to defined contribution pension schemes	41,199	38,400
	<u>531,373</u>	<u>497,749</u>

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes. Total number of directors were 6 during the year.

The highest paid director received remuneration of £163,423 (2021: £153,161).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,733 (2021: £12,800).

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**9. Interest receivable**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other interest receivable	31,369	34,425
	<u>31,369</u>	<u>34,425</u>
	<u><u>31,369</u></u>	<u><u>34,425</u></u>

**10. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank interest payable	-	107
	<u>-</u>	<u>107</u>
	<u><u>-</u></u>	<u><u>107</u></u>

**11. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	(1,773,832)	(1,268,770)
	<u>(1,773,832)</u>	<u>(1,268,770)</u>
	<u><u>(1,773,832)</u></u>	<u><u>(1,268,770)</u></u>
<b>Foreign tax</b>		
Foreign tax on income for the year	(4,340)	26,750
	<u>(4,340)</u>	<u>26,750</u>
	<u><u>(4,340)</u></u>	<u><u>26,750</u></u>
<b>Total current tax</b>	<u><u>(1,778,172)</u></u>	<u><u>(1,242,020)</u></u>

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**11. Taxation (continued)**

**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	(5,362,181)	(4,904,479)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(1,018,814)	(931,851)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	137,330	364,971
Differences in overseas tax rates	433	12,342
Adjustment to tax charges in respect of prior periods	(4,340)	47,803
Remeasurement of deferred tax for changes in tax rates	2,319	(274,991)
Non-taxable income	-	(76,208)
Additional deduction for research and development expenditure	(1,412,604)	(975,093)
Surrender of tax losses for research and development tax credit refund	550,499	408,592
Book profit on chargeable assets	(20,836)	(46,886)
Movement in deferred tax not recognised	(9,807)	428,248
Non-taxable income less expenses not deductible for tax purposes being shared based payment adjustment	-	(198,947)
Other differences leading to an increase (decrease) in the tax charge	(2,354)	-
Other movements	2	-
<b>Total tax charge for the year</b>	<b>(1,778,172)</b>	<b>(1,242,020)</b>

**Factors that may affect future tax charges**

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

**12. Extra text note**

Enter user text here...

**13. The Group's key financial performance indicators during the year were as follows:**

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**14. Tangible fixed assets**

**Group**

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	13,801	66,525	231,605	311,931
Additions	3,916	-	50,345	54,261
Disposals	-	-	(32,753)	(32,753)
At 31 December 2022	<u>17,717</u>	<u>66,525</u>	<u>249,197</u>	<u>333,439</u>
<b>Depreciation</b>				
At 1 January 2022	13,801	36,290	154,858	204,949
Charge for the year on owned assets	1,958	13,691	56,947	72,596
Disposals	-	-	(33,400)	(33,400)
At 31 December 2022	<u>15,759</u>	<u>49,981</u>	<u>178,405</u>	<u>244,145</u>
<b>Net book value</b>				
At 31 December 2022	<u>1,958</u>	<u>16,544</u>	<u>70,792</u>	<u>89,294</u>
At 31 December 2021	<u>-</u>	<u>30,235</u>	<u>76,747</u>	<u>106,982</u>

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**14. Tangible fixed assets (continued)**

**Company**

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	13,801	66,525	225,364	305,690
Additions	3,916	-	48,733	52,649
Disposals	-	-	(32,753)	(32,753)
At 31 December 2022	<u>17,717</u>	<u>66,525</u>	<u>241,344</u>	<u>325,586</u>
<b>Depreciation</b>				
At 1 January 2022	13,801	36,121	152,828	202,750
Charge for the year on owned assets	1,958	13,691	54,274	69,923
Disposals	-	-	(33,400)	(33,400)
At 31 December 2022	<u>15,759</u>	<u>49,812</u>	<u>173,702</u>	<u>239,273</u>
<b>Net book value</b>				
At 31 December 2022	<u>1,958</u>	<u>16,713</u>	<u>67,642</u>	<u>86,313</u>
At 31 December 2021	<u>-</u>	<u>30,404</u>	<u>72,536</u>	<u>102,940</u>

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**15. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2022	9
At 31 December 2022	9

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Ravelin Technology Inc	Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle Country, Delaware, 19801, United States	Ordinary	100%
Raveling Technology Ireland Limited	1st Floor, 9 Exchange Place I.F.S.C., Dublin 1, D01 X8H2, Ireland	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Ravelin Technology Inc	123,377	29,674
Raveling Technology Ireland Limited	9,802	1,136

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**16. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Rental deposit	126,533	126,533	126,533	126,533
	<u>126,533</u>	<u>126,533</u>	<u>126,533</u>	<u>126,533</u>
<b>Due within one year</b>				
Trade debtors	2,294,692	1,703,010	2,294,692	1,703,010
Amounts owed by group undertakings	-	1	97,467	613,200
Other debtors	67,161	38,548	32,362	38,548
Prepayments and accrued income	825,093	842,701	806,319	825,828
Tax recoverable	1,773,833	1,316,574	1,773,833	1,316,574
	<u>5,087,312</u>	<u>4,027,367</u>	<u>5,131,206</u>	<u>4,623,693</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	658,038	396,401	649,306	391,909
Amounts owed to group undertakings	-	-	121,638	257,178
Corporation tax	20,101	-	-	-
Other taxation and social security	298,634	404,617	297,045	382,874
Other creditors	195,729	260,780	187,763	218,103
Accruals and deferred income	611,530	542,843	611,530	542,843
	<u>1,784,032</u>	<u>1,604,641</u>	<u>1,867,282</u>	<u>1,792,907</u>

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
	£	£	£	£
Fair value of warrant instruments	877,340	625,565	877,340	625,565
	<u>877,340</u>	<u>625,565</u>	<u>877,340</u>	<u>625,565</u>

On 22 April 2020 the Company issued a Warrant instrument to an existing customer. The warrant instrument has a maturity date of the earlier of: immediately before an exit event or seven years from the instrument being issued. The Warrant instrument can be exercised into Ordinary shares for a fixed price as per the agreement. The number of shares to be issued the are based on several performance based targets being met from the date of issuance up to 22 April 2026, these performance obligations have been incorporated in to the fair value calculation of model by the directors as assumptions which are reviewed and adjusted for annually.

The directors have then used a Black Scholes and Discounted Cash flow model to determine the fair value of the warrant instrument based on an average of multiple volatility assumptions. The volatility assumption range being based on similar listed companies and the historic performance of the Nasdaq Index where applicable.

The fair value of the warrant instrument has been recognised in the profit and loss account (Note 5) and creditors due after more than 1 year on the balance sheet (Note 16).

**19. Provisions**

**Group and Company**

	<b>Other provision £</b>
At 1 January 2022	18,505
Charged to profit or loss	61,495
<b>At 31 December 2022</b>	<u><u>80,000</u></u>

**20. Share capital**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Allotted, called up and fully paid</b>		
2,596,502 (2021: 2,610,000) Ordinary shares shares of £0.001 each	2,597	2,610
719,925 (2021: 719,925) Series B1 shares of £0.001 each	720	720
76,965 (2021: 76,965) Series B2 shares of £0.001 each	77	77
580,588 (2021: 580,588) Series C1 shares of £0.001 each	581	581
332,266 (2021: 332,266) Series C2 shares of £0.001 each	332	332
48,000 (2021: nil) Deferred shares shares of £0.001 each	48	-
	<u>          </u>	<u>          </u>

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**20. Share capital (continued)**

	4,355	4,320
--	-------	-------

All classes of shares rank pari passu except for:

Deferred shares shall not entitle the share holder to receive notice of, to attend, to speak or vote at any general meeting of the company;

On distribution of assets on liquidation or a return of capital the surplus assets of the company remaining after payment of its liabilities shall be applied to the holders of each class of shares in accordance with the Articles of Association, in the following order:

- Deferred shares
- Series C1 and C2 shares
- Series B1 and B2 shares
- Ordinary shares

During the year 13,592 Ordinary shares were repurchased by the company for a total consideration of £196,697 with a nominal value of £0.001 per share.

During the year 48,000 Deferred shares were issued by the company for a total consideration of £478 with a nominal value of £0.001 per share.

**21. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares issued by the company, less transaction costs.

**Foreign exchange reserve**

The foreign exchange reserve represents the cumulative movements in foreign exchange.

**Share-based payment reserve**

This reserve records the cumulative fair value of share options as they vest and for those which have fully vested and are exercisable. On exercise of fully vested options, a transfer of the fair value of those options is made to profit or loss.

**Profit and loss account**

This reserve relates to the cumulative profits and losses less amounts distributed to shareholders.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**22. Share-based payments**

Ravelin Technology Ltd have share options in issue, all options which have been granted have non-market vesting conditions attached and all share options which have been granted are of the same class: Ordinary shares which are exercisable between three and ten years following their grant. These are granted at the discretion of the Directors'. There are no cash settlement alternatives for the employees therefore these are all accounted for under FRS 102.

The fair value of share options granted is estimated at the date of grant. The grant date for accounting purposes is at various points as the options were issued, as this is when a shared understanding of the terms and conditions of the arrangements was achieved between the various parties. A non-marketability discount was applied when assessing the fair value at grant date.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model. The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

	<b>Weighted average exercise price (pence) 2022</b>	<b>Number 2022</b>	<b>Weighted average exercise price (pence) 2021</b>	<b>Number 2021</b>
Outstanding at the beginning of the year	0.096	338,184	0.079	344,803
Granted during the year	0.1	20,650	0.47	23,393
Forfeited during the year	0.096	(5,120)	0.298	(16,795)
Exercised during the year		-	0.042	(13,217)
<b>Outstanding at the end of the year</b>	<b>0.096</b>	<b>353,714</b>	<b>0.096</b>	<b>338,184</b>

The following information is relevant in the determination of the fair value of options granted during the current year under the equity-settled share based remuneration scheme operated by Ravelin Technology Ltd. The company has adopted a share option scheme which is compliant with HMRC's Enterprise Management Incentive schemes rules. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of equity settled share-based payments is expensed on a straight-line bases over the vesting period, based on the estimate of shares that will eventually vest. The fair value is measured to recent equity transactions and has been adjusted, based on management's best estimate, for the effect of exercise restrictions, lack of rights and behavioural considerations.

**RAVELIN TECHNOLOGY LTD**  
**ANNUAL REPORT**

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

**22. Share-based payments (continued)**

	<b>2022</b>	<b>2021</b>
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price (pence)	9.53	9.53
Exercise price (pence)	0.1	0.1
Weighted average contractual life (years)	10	10
Expected volatility	60%	60%
Risk-free interest rate	1%	0.43%
	<u>2022</u>	<u>2021</u>
	£	£
Equity-settled schemes	422,034	375,735
	<u>422,034</u>	<u>375,735</u>

**23. 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</b> <b>2022</b> £	<b>Group</b> <b>2021</b> £	<b>Company</b> <b>2022</b> £	<b>Company</b> <b>2021</b> £
Not later than 1 year	275,217	350,799	275,217	350,799
Later than 1 year and not later than 5 years	300,237	90,302	300,237	90,302
	<u>575,454</u>	<u>441,101</u>	<u>575,454</u>	<u>441,101</u>

**24. Related party transactions**

The Group has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Directors are considered to be Key Management Personnel. Directors' remuneration is disclosed in note 8 to the financial statements.

**25. Controlling party**

The directors do not consider there to be an ultimate controlling party.

**RAVELIN TECHNOLOGY LTD  
ANNUAL REPORT**

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

**26. Prior year restatement**

The comparative figures reported in the Consolidated and Company's financial statements have been restated to adjust for an error in the financial statements for the year ending 31 December 2021. For the following:

The Group and company's Share Option Reserves at 31 December 2021 were overstated by £1,004,271 and the Profit and Loss Reserves were understated by the same amount as a result of the share based payment charges that had been charged to the profit and loss account in previous years, being calculated using an inappropriate fair value. The historic share based payment charges have been retrospectively recalculated, and the share option and profit and loss reserves have been restated to the correct position at 31 December 2021.

The Group and company's Warrant's were accounted for in Reserves, the terms of the Warrant agreement result in the Warrant being held in long term liabilities. The result of this is to move the Warrant instrument from Reserves in to long term liabilities. As a result, Reserves as at 31 December 2021 have decreased by £625,565 while long term liabilities have increased by the same amount. In 31 December 2022 the Warrant has been disclosed appropriately.