Registered number: 09542062

YOTO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

YOTO LIMITED

COMPANY INFORMATION

Directors	F Denker B C Drury L J R Kelly B A Korling L Möller F F Oidtmann
Registered number	09542062
Registered office	124 City Road London EC1V 2NX
Independent auditor	Grant Thornton UK LLP Charted Accountants & Statutory Auditor 2nd Floor, St. John's House Haslett Avenue West Crawley West Sussex R10 1HS

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors are pleased to present the Strategic Report for the year ended 31 December 2022. This report provides an overview of the Company's performance during the year, as well as its key strategic objectives and plans for the future.

Principal activities

Yoto is an interactive audio platform for kids which curates a diverse library of content made available on the Yoto Player and Yoto Mini speakers plus Yoto app. Aimed at helping a growing network of families to deliver screen free engagement for children.

The business model is completely customer focused through the direct to consumer model, along with Yoto Club subscription products that ensure loyal customers receive great value. The business sees huge value in the dedicated Yoto community, constantly listening and building on the high levels of engagement from our families to drive powerful network effects.

Business Review

During the year, the Company has continued to grow and expand its operations, driven by a strong focus on customer service and innovation. Despite the challenging economic conditions, the Company has achieved solid financial results, with revenue increasing by 121% compared to the previous year, reaching £27.7m of revenue.

The Company's growth has been underpinned by a number of key strategic initiatives, including:

Product Innovation: The Company prides itself on being product led and has continued to invest in research and development, leading to continued evolution of our audio players and a strong release schedule of new content that continues to build out our breadth of diverse and innovative content to satisfy our growing families' needs.

Regional growth: The Company has continued to deliver growth in key markets such as North America, growing the office in New York and helping to increase our highly engaged customer base.

Data driven: The Company has built a technology infrastructure that can support data driven decision making to streamline operations, enhance customer engagement, and provide a more seamless customer experience for all our cohorts.

We use a number of financial and non financial Key Performance Indicators to monitor the health of the company. The Company's key performance indicators for the year ended 31 December 2022 are as follows:

	2022	**2021**	**YoY Growth**
Revenue	£27.7m	£12.5m	£15.2m / 121%
Adjusted EBITDA	£(3.8)m	£(7.6)m	£3.8m / 50%
Customer satisfaction rate (NPS)	86% at Feb 2023	71% at Feb 2022	15%

Corporate Social Responsibility

The Company is committed to being responsible and building for people and the planet. Yoto products are designed with simplicity in mind to minimize its impact on the environment while our work with schools helps to support local communities. We promote diversity and inclusion in the workplace with key internal KPIs to drive results. We are very focused on our new returns and refurbishment programme to manage our product's lifecycle.

Financial Review

The Company's financial performance during the year has been strong, with revenue increasing by 121% compared to the previous year. Gross profit margin and operating profit margin have grown considerably with gross margin before licensing of 63.8%, an improvement of 11.1 percentage points year on year and operating loss margin reduced to -17.9%, an improvement of 45.2 percentage points, demonstrating the Company's ability to leverage the investments made to date, manage costs and improve efficiencies.

Principal risks and uncertainties

The principal risks to the business are; financial risk (financial market risk and liquidity risk) and operational risk (economic risk, systems and business continuity risk, reputational risk and cyber risk)

Yoto designs its products in London with factories producing products in China and Hong Kong. Our treasury management means we limit FX exposure as contracts are satisfied in USD and this aligns with customer receipts in our largest market of North America

The company has significant working capital requirements at key times in the year. We ensure that we have sufficient resources to meet our obligations as they fall due. We manage this with detailed cash flow forecasts and working with banks and other lenders to ensure that we have sufficient working capital when required.

Yoto, like all businesses will be affected by the economic conditions in the markets it operates in. Operating in diversified markets will mitigate this risk and strategic plans to grow globally will further mitigate this risk

We source our finished goods from factories across the globe, and rely on third-party logistics companies to deliver them. The smooth functioning of our supply chain is critical to our ability to deliver products and generate revenue. To ensure this, we maintain close relationships with all our suppliers, and in case of any disruptions, we have contingency plans in place to explore alternative methods to get our products to the market or modify our offerings, both in-store and online, to manage any delivery delays. We remain committed to providing seamless services to our customers, and our team is dedicated to mitigating any impact on our operations caused by supply chain challenges.

At Yoto we are dedicated to creating sustainable and superior-quality products, and our decision-making process involves evaluating their impact on the environment. We hold ourselves and our suppliers to the highest standards of sustainability and ensure that the products we purchase align with our values. We regularly audit our suppliers to ensure that they follow best practices and continuously improve standards.

We acknowledge that cyber risk is a threat that can potentially damage our reputation and impact our trading performance. To mitigate this risk, our technology team has implemented strict controls and safeguards, including penetration testing, and we have cyber risk insurance in place to cover any unforeseen event.

Despite ongoing economic uncertainties, the Company remains confident in its ability to navigate any challenges that may arise, due to its strong business model, product led strategy and customer loyalty.

We are pleased to report that Yoto has exceeded our expectations and performed ahead of our directors' projections in FY22. We remain confident that Yoto will continue to perform well in the future, continuing to be the soundtrack of childhood and help families on their own unique adventures.

Future developments

Yoto will continue to invest in its products to ensure families receive a great experience from the platform. The focus will be on continuing to scale the business through fast growth while maintaining operational efficiency in existing and new markets. Continued support from the Yoto community will ensure the brand moves from strength to strength.

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

Ben Drury

B C Drury
Director

Date: 26/5/2023

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.

Results and dividends

The loss for the year, after taxation, amounted to £4,349,000 *(2021: loss £7,283,000)*.

The directors did not recommend the payment of dividend in the year *(2021: £Nil)*.

Directors

The directors who served during the year were:

F Denker
B C Drury
L J R Kelly
B A Korling
L Möller (appointed 25 August 2022)
F F Oidtmann

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group's financial statements have been prepared as a going concern, and the Director's believe it will continue to operate for the foreseeable future. This is based on the fact the company has sufficient financial resources, including cash reserves and access to credit facilities, to meet its obligations as they fall due, and to continue to invest in the business as necessary.

The directors have conducted a thorough review of the company's financial position, including its current financial performance, cash flow projections, and financial forecasts, and have concluded that the business is well-placed to weather any economic uncertainties or challenges that may arise.

It should be noted that the future performance of any business is inherently uncertain in this environment and so the directors will continue to monitor the financial position of the company carefully and take appropriate action as necessary to ensure that the business remains viable and sustainable over the long-term.

Qualifying third party indemnity provisions

The Company provides indemnity insurance for the benefit of directors.

Matters covered in the Group Strategic Report

Information in respect of the business review, future developments, financial risk management and exposure to risks are not shown in the Directors' Report because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, was appointed during the period and 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.

Ben Drury

B C Drury
Director

Date: 26/5/2023

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOTO LIMITED

Opinion

We have audited the financial statements of Yoto Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, 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 and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOTO LIMITED (CONTINUED)

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 and of 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks; FRS 102 the Companies Act 2006 and the relevant tax compliance regulations in the UK and other jurisdictions in which the Group operates.

- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance, whether there were any instances of non-compliance with laws and regulations. We did not identify any matters relating to the non-compliance with laws and regulations. We corroborated our inquiries through our review of board minutes provided by management, relevant supporting information and direct enquiry of management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud. We enquired of management and those charged with governance whether they have any knowledge of actual, suspected or alleged fraud. We also considered performance targets and their influence on efforts made by management to meet external pressures in reporting the financial results to the Group or for personal interest of the Directors.
- Our audit procedures included: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and substantive testing of revenue transactions both within and after the year end to ascertain the appropriate recognition of revenue within the year. In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the Group operates
  - understanding of the legal and regulatory requirements specific to the Group.

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. This description forms part of our Auditor's Report.

Other matters

The company was not required to have a statutory audit for the year ended 31 December 2021 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 31 December 2021 are unaudited.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOTO LIMITED (CONTINUED)

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.

Grant Thornton UK LLP

Adam Terry BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Charted Accountants
Gatwick
Date: 26/5/2023

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

	Note	2022 £000	2021 £000
Turnover	4	**27,679**	*12,526*
Cost of sales		**(9,991)**	*(6,047)*
Gross profit		**17,688**	*6,479*
Distribution costs		**(5,176)**	*(2,825)*
Administrative expenses		**(14,043)**	*(10,045)*
Licensing costs		**(3,409)**	*(1,505)*
Operating loss	5	**(4,940)**	*(7,896)*
Operating loss		**(4,940)**	*(7,896)*
Depreciation		**116**	*70*
Amortisation		**385**	*200*
Foreign exchange differences		**295**	*10*
One-off exceptional costs		**341**	-
Adjusted EBITDA		**(3,803)**	*(7,616)*
Amounts written off investments		-	*(6)*
Interest receivable and similar income	9	**2**	*11*
Interest payable and similar expenses	10	**(161)**	*(4)*
Loss before taxation		**(5,099)**	*(7,895)*
Tax on loss	11	**750**	*612*
Loss for the financial year		**(4,349)**	*(7,283)*
Currency translation differences		**(45)**	-
Other comprehensive income for the year		**(45)**	-
Total comprehensive income for the year		**(4,394)**	*(7,283)*
(Loss) for the year attributable to:			
Owners of the parent Company		**(4,349)**	*(7,283)*
		(4,349)	*(7,283)*

The notes on pages 18 to 37 form part of these financial statements.

YOTO LIMITED
REGISTERED NUMBER:09542062

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		*2021 £000*
Fixed assets					
Intangible assets	12		**887**		*795*
Tangible assets	13		**347**		*314*
			1,234		*1,109*
Current assets					
Stocks	15	**4,039**		*3,026*	
Debtors: amounts falling due within one year	16	**5,126**		*2,471*	
Cash at bank and in hand	17	**10,139**		*4,243*	
		19,304		*9,740*	
Creditors: amounts falling due within one year	18	**(8,586)**		*(5,332)*	
Net current assets			**10,718**		*4,408*
Total assets less current liabilities			**11,952**		*5,517*
Creditors: amounts falling due after more than one year	19		**(28)**		*(38)*
Net assets			**11,924**		*5,479*
Capital and reserves					
Called up share capital	21		**5**		*4*
Share premium account	22		**27,573**		*16,735*
Retranslation reserve	22		**(45)**		*-*
Profit and loss account	22		**(15,609)**		*(11,260)*
Shareholders' funds			**11,924**		*5,479*

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

Ben Drury

B C Drury
Director

Date: 26/5/2023

The notes on pages 18 to 37 form part of these financial statements.

YOTO LIMITED
REGISTERED NUMBER:09542062

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	12		**887**		*795*
Tangible assets	13		**333**		*305*
			1,220		*1,100*
Current assets					
Stocks	15	**4,039**		*3,026*	
Debtors: amounts falling due within one year	16	**12,692**		*3,362*	
Cash at bank and in hand	17	**2,267**		*3,322*	
		18,998		*9,710*	
Creditors: amounts falling due within one year	18	**(8,339)**		*(5,293)*	
Net current assets			**10,659**		*4,417*
Total assets less current liabilities			**11,879**		*5,517*
Creditors: amounts falling due after more than one year	19		**(28)**		*(38)*
Net assets			**11,851**		*5,479*
Capital and reserves					
Called up share capital	21		**5**		*4*
Share premium account	22		**27,573**		*16,735*
Profit and loss account brought forward		**(11,260)**		*(3,977)*	
Loss for the year		**(4,467)**		*(7,283)*	
Profit and loss account carried forward			**(15,727)**		*(11,260)*
Shareholders' funds			**11,851**		*5,479*

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

B C Drury Ben Drury
Director

Date: 26/5/2023

The notes on pages 18 to 37 form part of these financial statements.

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

	Called up share capital	Share premium account	Retranslation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	3	4,906	-	(3,977)	932
Comprehensive income for the year					
Loss for the year	-	-	-	(7,283)	(7,283)
Arising on shares issued during the period	1	12,023	-	-	12,024
Expenses on shares issued during the period	-	(194)	-	-	(194)
At 1 January 2022	4	16,735	-	(11,260)	5,479
Comprehensive income for the year					
Loss for the year	-	-	-	(4,349)	(4,349)
Exchange differences on translation of subsidiaries	-	-	(45)	-	(45)
Shares issued during the year	1	10,968	-	-	10,969
Expenses on shares issued during the period	-	(130)	-	-	(130)
At 31 December 2022	5	27,573	(45)	(15,609)	11,924

The notes on pages 18 to 37 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	**3**	**4,906**	**(3,977)**	**932**
Comprehensive income for the year				
Loss for the year and total comprehensive income	**-**	**-**	**(7,283)**	**(7,283)**
Arising on shares issued during the period	**1**	**12,023**	**-**	**12,024**
Expenses on shares issued during the period	**-**	**(194)**	**-**	**(194)**
At 1 January 2022	**4**	**16,735**	**(11,260)**	**5,479**
Comprehensive income for the year				
Loss for the year and total comprehensive income	**-**	**-**	**(4,467)**	**(4,467)**
Shares issued during the year	**1**	**10,968**	**-**	**10,969**
Expenses on shares issued during the period	**-**	**(130)**	**-**	**(130)**
At 31 December 2022	**5**	**27,573**	**(15,727)**	**11,851**

The notes on pages 18 to 37 form part of these financial statements.

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

	2022 £000	2021 £000
Cash flows from operating activities		
Loss for the financial year	(4,349)	(7,283)
Adjustments for:		
Amortisation of intangible assets	408	200
Depreciation of tangible assets	117	70
Disposals of fixed assets	3	-
Interest paid	161	11
Interest received	(2)	(11)
Taxation charge	(750)	(612)
Increase in stocks	(1,012)	(2,338)
Increase in debtors	(2,467)	(952)
Increase in creditors	893	3,449
Increase in provisions	152	98
Corporation tax received	883	-
Net cash generated from operating activities	(5,963)	(7,368)
Cash flows from investing activities		
Purchase of intangible fixed assets	(502)	(666)
Purchase of tangible fixed assets	(151)	(242)
Interest received	2	-
Net cash from investing activities	(651)	(908)

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

	2022 £000	2021 £000
Cash flows from financing activities		
Issue of ordinary shares	**10,832**	*11,830*
Net proceeds from borrowings	**1,884**	*9*
Interest paid	**(161)**	-
Net cash used in financing activities	**12,555**	*11,839*
Net increase in cash and cash equivalents	**5,941**	*3,563*
Cash and cash equivalents at beginning of year	**4,243**	*682*
Foreign exchange gains and losses	**(45)**	*(2)*
Cash and cash equivalents at the end of year	**10,139**	*4,243*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**10,139**	*4,243*
	10,139	*4,243*

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

1. General information

Yoto Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at 124 City Road, London, EC1V 2NX.

The principal activity of Yoto Limited was that of other information technology services.

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 Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand (£) except when otherwise stated.

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 judgement 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 in these financial statements.

In preparing the separate financial statements of Yoto Limited, advantage has been taken of the disclosure exemptions available in FRS 102 of the requirement to present a statement of cash flows and the related notes on the basis the information is included in the consolidated 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.

2. Accounting policies (continued)

2.3 Going concern

The Group's financial statements have been prepared as a going concern, and the Director's believe it will continue to operate for the foreseeable future. This is based on the fact the company has sufficient financial resources, including cash reserves and access to credit facilities, to meet its obligations as they fall due, and to continue to invest in the business as necessary.

The directors have conducted a thorough review of the company's financial position, including its current financial performance, cash flow projections, and financial forecasts, and have concluded that the business is well-placed to weather any economic uncertainties or challenges that may arise.

It should be noted that the future performance of any business is inherently uncertain in this environment and so the directors will continue to monitor the financial position of the company carefully and take appropriate action as necessary to ensure that the business remains viable and sustainable over the long-term.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

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

2.8 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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Intangible assets

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

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

The estimated useful lives range as follows:

Intellectual property	-	10	years on a straight line basis
Other intangible fixed assets	-	3	years on a straight line basis

2.13 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.

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	- 4 years on a straight line basis
Fixtures and fittings	- 5 years on a reducing balance basis
Computer equipment	- 5 years on a reducing balance basis

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.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use. Any impairment loss is recognised immediately as an expense within the profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

2. Accounting policies (continued)

2.17 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.

2.18 *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.

2.19 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.

2. Accounting policies (continued)

2.20 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.

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

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgement in applying the Company's accounting policies.

The following management judgements have had the most significant effect on the amounts recognised in these financial statements.

Share option charges
FRS 102 requires the grant date fair value of share-based payments awards granted to employees to be recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. Share options issued to the Company's employees will only vest on an exit event. At the date of these financial statements management has determined that an exit event is not probable and therefore the value of share options issues is considered immaterial at grant date so no share-based payment charges have been recorded in these financial statements.

4. Turnover

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

	2022	*2021*
	£000	*£000*
Sales of goods	**27,679**	*12,526*

No geographical analysis has been presented as, in the directors view, the information would be seriously prejudicial to the Group.

5. Operating loss

The operating loss is stated after charging:

	2022	*2021*
	£000	*£000*
Research & development charged as an expense	**44**	*3*
Exchange differences	**295**	*10*
Amortisation	**408**	*199*
Depreciation	**117**	*69*
Lease payments charged as an expense	**157**	*183*

6. Auditor's remuneration

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

	2022 £000	*2021 £000*
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	43	*-*

7. Employees

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

	Group 2022 £000	*Group 2021 £000*	Company 2022 £000	*Company 2021 £000*
Wages and salaries	5,603	*3,568*	4,928	*3,307*
Social security costs	757	*429*	640	*389*
Cost of defined contribution scheme	135	*83*	135	*83*
	6,495	*4,080*	5,703	*3,779*

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.*
Employees	85	*54*	*73*	*50*

8. Directors' remuneration

	2022	*2021*
	£000	*£000*
Directors' emoluments	**240**	*233*
Group contributions to defined contribution pension schemes	**12**	*12*
	252	*245*

During the year retirement benefits were accruing to 2 directors *(2021: 2)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £131k *(2021: £125k)*.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7k *(2021: £6k)*.

9. Interest receivable

	2022	*2021*
	£000	*£000*
Bank interest receivable	**2**	*11*

10. Interest payable and similar expenses

	2022	*2021*
	£000	*£000*
Other interest payable	**161**	*4*

11. Taxation

	2022 £000	*2021 £000*
Corporation tax		
UK corporation tax	**(750)**	*(612)*
	(750)	*(612)*
Total current tax	**(750)**	*(612)*
Deferred tax		
Total deferred tax	**-**	*-*
Taxation on loss on ordinary activities	**(750)**	*(612)*

Factors affecting tax charge for the year

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

	2022 £000	*2021 £000*
Loss on ordinary activities before tax	**(5,099)**	*(7,895)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2021: 19%)*	**(969)**	*(1,500)*
Effects of:		
Fixed asset timing differences	**(8)**	*(9)*
Expenses not deductible for tax purposes	**5**	*6*
Additional deduction for R&D expenditure	**(555)**	*(453)*
Surrender of tax losses for R&D tax credit refund	**233**	*190*
Foreign tax - other	**(119)**	*-*
Movement in deferred tax not recognised	**663**	*1,154*
Total tax charge for the year	**(750)**	*(612)*

12. Intangible assets

Group and Company

	Other £000
Cost	
At 1 January 2022	1,124
Additions	502
Disposals	(14)
At 31 December 2022	1,612
Amortisation	
At 1 January 2022	328
Charge for the year on owned assets	408
Disposals	(11)
At 31 December 2022	725
Net book value	
At 31 December 2022	887
At 31 December 2021	*795*

13. Tangible fixed assets

Group

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2022	300	23	126	449
Additions	87	35	29	151
At 31 December 2022	387	58	155	600
Depreciation				
At 1 January 2022	110	1	25	136
Charge for the year on owned assets	83	11	23	117
At 31 December 2022	193	12	48	253
Net book value				
At 31 December 2022	194	46	107	347
At 31 December 2021	*191*	*22*	*101*	*314*

13. Tangible fixed assets (continued)

Company

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2022	300	23	116	439
Additions	87	35	22	144
At 31 December 2022	387	58	138	583
Depreciation				
At 1 January 2022	110	1	24	135
Charge for the year on owned assets	83	11	21	115
At 31 December 2022	193	12	45	250
Net book value				
At 31 December 2022	194	46	93	333
At 31 December 2021	*191*	*22*	*92*	*305*

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Yoto Inc	228 Park Ave S #48734, New York, NY 10003, USA	Ordinary	100%
Yoto SAS	8 rue Saint Augustin, 75002, Paris	Ordinary	100%

Both subsidiaries are included in the consolidated financial statements.

15. Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Stock - finished goods	**4,039**	*3,026*	**4,039**	*3,026*

16. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	**2,670**	*872*	**2,670**	*872*
Amounts owed by group undertakings	**-**	*-*	**7,659**	*933*
Other debtors	**2,456**	*1,599*	**2,363**	*1,557*
	5,126	*2,471*	**12,692**	*3,362*

Trade debtors includes £1,321k (2021 - £nil) cash on account for fulfilled orders held with sales platforms due to payouts post year end.

Amounts owed by group undertakings are interest free, unsecured and due on demand.

17. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	**10,139**	*4,243*	**2,267**	*3,322*
	10,139	*4,243*	**2,267**	*3,322*

18. Creditors: Amounts falling due within one year

	Group 2022 £000	*Group 2021 £000*	**Company 2022 £000**	*Company 2021 £000*
Bank loans	**10**	*10*	**10**	*10*
Other loans	**1,895**	*-*	**1,895**	*-*
Trade creditors	**1,156**	*2,899*	**1,045**	*2,884*
Other taxation and social security	**1,549**	*492*	**1,549**	*471*
Other creditors	**568**	*426*	**482**	*427*
Accruals and deferred income	**3,408**	*1,505*	**3,358**	*1,501*
	8,586	*5,332*	**8,339**	*5,293*

Included within other creditors are outstanding pension contributions totalling £29,253 *(2021: £26,827)*.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £000	*Group 2021 £000*	**Company 2022 £000**	*Company 2021 £000*
Bank loans	**28**	*38*	**28**	*38*

Bank loans relate to a Bounce Back loan which is fully repayable by September 2026.

20. Loans

	Group 2022 £000	*Group 2021 £000*	**Company 2022 £000**	*Company 2021 £000*
Amounts falling due within one year				
Bank loans	**10**	*10*	**10**	*10*
Other loans	**1,895**	*-*	**1,895**	*-*
	1,905	*10*	**1,905**	*10*
Amounts falling due 1-2 years				
Bank loans	**10**	*38*	**10**	*38*
Amounts falling due 2-5 years				
Bank loans	**18**	*-*	**18**	*-*
	1,933	*48*	**1,933**	*48*

21. Share capital

	2022 £	*2021 £*
Allotted, called up and fully paid		
7,509,300 *(2021: 7,509,300)* A Preferred shares of £0.0001 each	**751**	*751*
6,526,716 *(2021 - nil)* A2 Preferred shares of £0.0001 each	**653**	*-*
18,470,600 *(2021: 16,071,900)* Ordinary shares of £0.0001 each	**1,847**	*1,607*
6,801,200 *(2021: 6,894,300)* Seed preferred shares of £0.0001 each	**680**	*689*
6,374,000 *(2021: 6,374,000)* Seed-2 Preferred shares of £0.0001 each	**637**	*637*
	4,568	*3,684*

21. Share capital (continued)

The issued share capital of the company is comprised of ordinary shares, A preferred shares, A2 preferred shares, seed preferred shares and seed-2 preferred shares. The articles of association of the company provide for a class of deferred shares, however no deferred shares are currently in issue. The rights attaching to each class of share are as follows:

a. All shares (other than deferred shares) have an equal right to receive dividends on distribution.

b. All shares (other than deferred shares) have an equal right to receive notice of and to attend, speak and vote at general meetings of the company and to receive and vote on proposed written resolutions of the company.

c. A2 preferred shares have the right to participate in the distribution of assets and the proceeds of sale in priority to all other shares in issue up to their preference amount. A preferred shares, seed preferred shares and seed-2 preferred shares then have an equal right to participate in the distribution of assets and the proceeds of sale up to their respective preference amounts and in priority to the deferred shares and the ordinary shares. Deferred shares have the right to participate up to an aggregate total of £1 on the distribution of assets or the proceeds of sale in priority to ordinary shares. Ordinary shares then participate in the balance of assets and process of sale.

d. All shares (other than deferred shares) have the right to be offered the opportunity to subscribe on a pre-emptive basis for their pro rata allocation of new securities upon a proposed allotment (subject to exceptions).

e. All shares (other than deferred shares) have the right to be offered the opportunity to purchase on a pre-emptive basis their pro rata allocation of shares that are proposed to be transferred (subject to exceptions).

f. All classes of shares other than the ordinary shares and deferred shares (i.e. A preferred shares, A2 preferred shares, seed preferred shares and seed-2 preferred shares) have the right to be issued anti-dilution shares in the event that securities are issued below the price paid for such shares as an anti-dilution protection.

g. The deferred shares have the right to participate up to an aggregate total of £1 on the distribution of assets or the proceeds of sale. Deferred shares do not have the right to receive dividends, to receive notice of and to attend, to speak and to vote at general meetings of the company and to receive and to vote on proposed written resolutions of the company, to be offered the opportunity to subscribe on a pre-emptive basis for their pro rata allocation of new securities upon a proposed allotment, to be offered the opportunity to purchase on a pre-emptive basis their pro rata allocation of shares that are proposed to be transferred or to be issued anti-dilution shares in the event that securities are issued below the price paid for such shares as an anti-dilution protection.

A2 Preferred shares were issued during the year for a total consideration of $13m and Ordinary shares were issued for a total consideration of £33.70.

22. Reserves

Share premium account

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

Retranslation reserve

Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Profit and loss account

Includes all current and prior periods retained profits & losses.

23. Analysis of net debt

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	4,243	5,896	10,139
Debt due after 1 year	(38)	10	(28)
Debt due within 1 year	(10)	(1,895)	(1,905)
	4,195	4,011	8,206

24. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £135,380 *(2021: £82,916)*. Contributions totalling £29,253 *(2021: £26,827)* were payable to the fund at the balance sheet date and are included in creditors.

25. 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:

	Group 2022 £000	*Group 2021 £000*	Company 2022 £000	*Company 2021 £000*
Land and buildings				
Not later than 1 year	236	*200*	216	*153*

26. Controlling party

The company is owned by a number of private shareholders and companies, none of whom own more than 30% of the issued share capital of the company