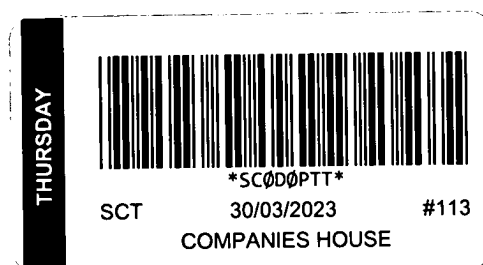


Company Registration No. 09141571 (England and Wales)

TRAVELNEST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



TRAVELNEST LIMITED

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TRAVELNEST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	3	1,906,909		2,002,464	
Tangible assets	4	20,449		28,725	
		<u>1,927,358</u>		<u>2,031,189</u>	
Current assets					
Debtors	5	603,403		370,879	
Cash at bank and in hand		689,720		2,750,354	
		<u>1,293,123</u>		<u>3,121,233</u>	
Creditors: amounts falling due within one year	6	<u>(3,794,817)</u>		<u>(1,071,079)</u>	
Net current (liabilities)/assets		<u>(2,501,694)</u>		<u>2,050,154</u>	
Total assets less current liabilities		<u>(574,336)</u>		<u>4,081,343</u>	
Creditors: amounts falling due after more than one year	7	(752,145)		(1,127,635)	
Net (liabilities)/assets		<u><u>(1,326,481)</u></u>		<u><u>2,953,708</u></u>	
Capital and reserves					
Called up share capital	9	26,760		26,665	
Share premium account		10,623,467		10,622,848	
Capital redemption reserve		3,582		3,582	
Profit and loss reserves		<u>(11,980,290)</u>		<u>(7,699,387)</u>	
Total equity		<u><u>(1,326,481)</u></u>		<u><u>2,953,708</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 / 03 / 2023 and are signed on its behalf by:

Doug Stephenson

Mr D Stephenson
Director

Company Registration No. 09141571

TRAVELNEST LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		25,396	9,741,228	3,582	(4,512,228)	5,257,978
Period ended 31 December 2020:						
Loss and total comprehensive income for the period		-	-	-	(3,207,126)	(3,207,126)
Issue of share capital	9	1,269	881,620	-	-	882,889
Credit to equity for equity settled share-based payments	8	-	-	-	19,967	19,967
Balance at 31 December 2020		26,665	10,622,848	3,582	(7,699,387)	2,953,708
Period ended 31 December 2021:						
Loss and total comprehensive income for the period		-	-	-	(4,300,421)	(4,300,421)
Issue of share capital	9	95	619	-	-	714
Credit to equity for equity settled share-based payments	8	-	-	-	19,518	19,518
Balance at 31 December 2021		26,760	10,623,467	3,582	(11,980,290)	(1,326,481)

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

TravelNest Limited is a private company limited by shares incorporated in England and Wales. The registered office is Birchin Court, 20 Birchin Lane, London, EC3V 9DU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future, and have assessed cash flow forecasts for the next two years in making this assessment.

The directors note the additional funding brought in since the year end as detailed in note 13. They also note progress regarding additional internal and external funding, to increase available resources, however, this funding is over and above that required to continue in operational existence.

A financial plan has been prepared, and the business will be managed for the next twelve months, through any business performance variations using levers built into the financial model, to ensure that the cash position and runway is maintained. Management have stress tested the forecasts to ensure that sufficient cash remains in the business for the next 12 months.

Management has a reasonable expectation that the business will continue to be a going concern for the next 12 months, and beyond.

1.3 Turnover

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

Turnover from services is recognised by reference to the underlying booking. The turnover is recognised when the outcome can be measured and is certain, which is at the arrival point on each booking.

1.4 Intangible fixed assets other than goodwill

Software development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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

Software	33% Straight line
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TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Leasehold improvements	33% Straight line
Office equipment	33% Straight line

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

1.6 Impairment of fixed assets

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

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Share-based payments

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

1.14 Government grants

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

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

Grants included COVID support measures from the UK government, including Job Retention Scheme and interest support for a CBIL loan.

1.15 Foreign exchange

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 49 (2020 - 48).

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Intangible fixed assets

	Software £
Cost	
At 1 January 2021	3,697,692
Additions	1,265,256
	<hr/>
At 31 December 2021	4,962,948
	<hr/>
Amortisation	
At 1 January 2021	1,695,228
Amortisation charged for the year	1,360,811
	<hr/>
At 31 December 2021	3,056,039
	<hr/>
Carrying amount	
At 31 December 2021	1,906,909
	<hr/> <hr/>
At 31 December 2020	2,002,464
	<hr/> <hr/>

4 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 January 2021	30,390	146,472	176,862
Additions	-	20,428	20,428
Disposals	(30,390)	(12,232)	(42,622)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	154,668	154,668
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2021	25,325	122,812	148,137
Depreciation charged in the year	5,065	23,452	28,517
Eliminated in respect of disposals	(30,390)	(12,045)	(42,435)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	134,219	134,219
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2021	-	20,449	20,449
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	5,065	23,660	28,725
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	301,728	-
Corporation tax recoverable	182,999	159,681
Other debtors	118,676	211,198
	<u>603,403</u>	<u>370,879</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	2,489,657	500,000
Trade creditors	200,985	167,143
Taxation and social security	130,277	85,804
Other creditors	973,898	318,132
	<u>3,794,817</u>	<u>1,071,079</u>

In March 2022 £2m of existing convertible loan notes, plus accrued interest, and £1m of new convertible loan notes, converted to 2,440,884 A-1 Preference Ordinary Shares with a nominal value of £0.001 each.

7 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>752,145</u>	<u>1,127,635</u>

During the prior year a loan was undertaken for £240,000, interest free for one year and at an interest rate of 8% per annum from September 2021 to September 2023. The loan is convertible if the relevant conditions are met. If conversion conditions do not occur, the loan and accrued interest is due for repayment in full in 2023. No interest is due on the first 12 months of the loan. In March 2022 this loan of £240,000, plus accrued interest, converted to 231,081 A-2 Preference Ordinary Shares with a nominal value of £0.001 each. A further interest payment of £368.22 was paid to settle the loan in full.

A further loan of £1.5m at an interest rate of 4.37% plus Bank of England Base Rate per annum was undertaken in September 2020 using the government CBILS loan scheme repayable in instalments over a 36 month period. During 2021 a 3 month payment holiday (within 2021) was granted therefore this loan is due to be settled December 2023.

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	1,261,143	416,200	0.04	0.02
Granted	-	1,111,457	-	0.04
Forfeited	(97,376)	(185,630)	0.03	0.03
Exercised	(82,015)	(80,884)	0.02	0.02
Outstanding at 31 December 2021	<u>1,081,752</u>	<u>1,261,143</u>	<u>0.04</u>	<u>0.04</u>

The estimated fair value of the options outstanding in the year was calculated by applying the Black Scholes Model. The weighted average fair value of the options at the measurement date was £0.15.

The weighted average remaining contractual life of the options at 31 December 2021 is 8 years and 1 month.

The expense (income) recognised for share based payments during the year was £19,518 (31 December 2020: £19,967).

9 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
7,689,126 A Ordinary Shares of 0.1p each	7,690	7,690
18,840,718 Preferred Ordinary Shares of 0.1p each	18,840	18,840
229,904 (2020: 135,314) B Ordinary Shares of 0.1p each	230	135
	<u>26,760</u>	<u>26,665</u>

In the current year 94,590 B ordinary shares were issued for £2,232 due to the exercising of share options, resulting in additional share capital of £95 and share premium of £2,137.

Share issue cost incurred in the period were £1,518 (2020: £8,271). These have been offset against the share premium account.

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Reserves

Share premium

The share premium reserve relates to the premium paid on the allotment of shares, less associated share issue costs.

Profit and loss reserves

Profit and loss reserves are the cumulative net profits or losses in the statement of comprehensive income.

Movements on these reserves are set out in the statement of changes in equity.

Capital redemption reserve

The capital redemption reserve was created in 2018 so that the permanent capital of the company is preserved. The remaining value was offset against share premium, capped at the premium received on the original issue, with the remaining value being shown through retained earnings.

11 Operating lease commitments

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

	2021	2020
	£	£
Within one year	-	45,623
	<u>-</u>	<u>45,623</u>
	<u>-</u>	<u>45,623</u>

12 Ultimate control

In the opinion of the directors there is no single controlling party.

TRAVELNEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Events after the reporting date

After the year end date of 31st December 2021, TravelNest Limited received additional investment funds as well as existing convertible loan notes (CLN) & loans converting to shares.

In March 2022 £2m of existing CLN, including accrued interest, and £1m of new CLN converted to 2,440,884 A-1 Preference Ordinary Shares with a nominal value of £0.001 each. A further existing loan of £240,000, plus accrued interest, converted to 231,081 A-2 Preference Ordinary Shares with a nominal value of £0.001 each.

In April 2022 £3m investment was received for 2,382,150 A-1 Preference Ordinary Shares with a nominal value of £0.001 each.

In October and November 2022 £1,712,690 investment was received for 1,359,961 A-3 Preference Ordinary Shares with a nominal value of £0.001 each.

In October 2022 a new CLN of £2.5m was received which is due to convert to 2,335,440 A-3 Preference Ordinary Shares with a nominal value of £0.001 each.

In March 2023 £2m investment was received for 1,588,099 A-3 Preference Ordinary Shares with a nominal value of £0.001 each.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Barry Masson and the auditor was Johnston Carmichael LLP.