

VITA MOJO INTERNATIONAL LTD

Company No. 09852472

Directors' Report and Audited Financial  
Statements

31 December 2020



VITA MOJO INTERNATIONAL LTD  
Contents

	Pages
Company Information	2
Strategic Report	3 to 4
Directors' Report	5 to 6
Auditor's Report	7 to 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 23

## VITA MOJO INTERNATIONAL LTD

### Company Information

#### Directors

K. ALTUNIS

M.L.M. Barnett

S. CATOIU

B.N. Popovici

EGEE Venture S.A.S

#### Registered Office

60 Cheapside

London

EC2V 6AX

#### Independent Auditor

Gordon Levy Chartered Accountants

Arthur House

Chorlton Street

Manchester

M1 3FH

#### Accountants

FKGB Accounting Ltd

2nd Floor

201 Haverstock Hill

NW3 4QG

#### Bankers

Barclays Bank PLC

The Directors present their strategic report for the year ended 31 December 2020.

#### Review of the business

The business model of the company is selling its software and hardware to other businesses in the restaurant industry, having previously also operated a chain of restaurants. Their products assist in automating the processes involved in digital ordering, kitchen operations and back office management.

The Statement of Comprehensive Income is set out on page 10 and shows the results for the year. The company made a loss of £3,058,135 for the year ended 31 December 2020 (2019: £3,826,061). The decrease in annual loss is primarily due a sharp increase in the gross profit margin driven by the dramatic increase in the software side of the business which has fewer direct costs and thus higher profit margins. At the same time, the restaurant side of the business, which has lower profit margins, has declined.

The company's financial position has declined year on year with net assets of £5,069,982 at 31 December 2020 (2019: £8,025,819). This is due to the loss-making historic nature of the entity.

#### Key performance indicators

As mentioned above, the gross profit margin has risen significantly year on year from 8% in 2019 to 35% in 2020.

During the year the financial position of the entity has declined with the current ratio falling from 12.15 to 3.85. This fall was driven by the significant operating loss this year. Nevertheless, the company has maintained a strong net current asset position and will be able to continue as a going concern for the foreseeable future.

Given the straightforward nature of the business, the directors believe that analysis using further KPIs is not necessary for the understanding of the development, performance, or position of the company.

#### Principle risks and uncertainties

The management of the business and execution of the company's strategy are subject to several risks. The key business risks and uncertainties facing the Company are:

- The purchasing power of both the existing and the potential client base- The restaurant industry has been particularly hard-struck by the outbreak of Covid-19 and its ongoing impact. Forced closures have eroded profits and strained cash flows across the industry which could impact the ability and will-power of businesses to invest in the Company's software. In spite of this, the entity has seen a strong sales performance for its software in early 2021.
- Financial risks- An inability to secure adequate funding for the Company will limit its ability to invest in growth. The entity actively seeks investment and obtained £1.57 million in investments in the first four months of the 2021 financial year.
- Diversification risk- Although the company has historically been diversified with over 90% of revenue stemming from its chain of restaurants in 2019, during the 2020 financial year all restaurants were closed leaving the entity reliant on sales of hardware and software.
- Information technology risk- The Company is strongly reliant on its software platform. A prolonged lack of availability of critical IT systems could cause significant discontinuity in operations and erode client relationships.

#### Future developments

Restaurants were closed during the year thus there were no restaurant revenues in 2021. However, 2021 performance shows a dramatic increase in software sales.

As the profit margins on software are significantly higher than restaurant sales, the directors expect losses to fall further in 2021 and to make a modest profit in 2022.

VITA MOJO INTERNATIONAL LTD  
Strategic Report

Post balance sheet events

We have commented above specifically on the Covid-19 outbreak, its implications for going concern and impact on the company's strategy.

At the date of this report, the company is not aware of any other events that would effect (or require disclosure in) the financial statements for the year ended 31 December 2020.

Group structure

Vita Mojo Ltd, Vita Mojo Trading and Vita Mojo Overseas Ltd are related parties under common control with Vita Mojo International Ltd (Vita Mojo Ltd and Vita Mojo Trading Ltd were dissolved in July 2021). There were no transactions or closing positions with any related parties during the year. The ultimate beneficiary owners are B Popovici and VM Mod Partnerships S.C.

Signed on behalf of the board



B.N. Popovici

Director

8 September 2021

## VITA MOJO INTERNATIONAL LTD

### Directors Report

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

#### Principal activities

The principal activity of the company during the year under review was operational and business intelligence. The company operates a chain of restaurants as well as selling its own software and hardware to other businesses in the industry.

#### Directors

The Directors who served at any time during the year were as follows:

K. ALTUNIS

M.L.M. Barnett

S. CATOIU

B.N. Popovici

EGEE Venture S.A.S

#### Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

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

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

#### Statement of disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

## VITA MOJO INTERNATIONAL LTD

### Directors Report

#### Covid 19 and going concern

The outbreak of the Covid-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic spread have impacted the company. The company stopped all operations of the restaurants by March 2020 and focused all of its resources in the year on the development and expansion of the software business. Management has modelled a number of different scenarios considering a period of 12 months from the date of authorisation of these financial statements and do not foresee a going concern issue for the aforementioned period.

#### Business development and future risks

During the year the Company continued pursuing its long-term strategy of transforming the way the world eats through technology. Having proved the value of its software in its own restaurants, Vita Mojo International Ltd has faced continued success in selling the technology itself to other firms in the restaurant industry. Due to the identified gap in the market regarding technological progress in the industry, the directors expect significant future development of the Company.

Signed on behalf of the board



B.N. Popovici

Director

08 September 2021

Independent Auditor's Report to the members of VITA MOJO INTERNATIONAL LTD

Opinion

We have audited the financial statements of VITA MOJO INTERNATIONAL LTD (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based upon the work undertaken in the course of the audit:

- the information given in the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 found in the directors' report, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### 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.

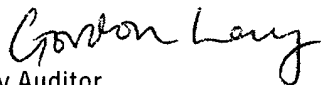
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. We have used professional scepticism throughout the audit and no evidence of fraud was found.

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

Gordon Levy  
Senior Statutory Auditor



For and on behalf of      Gordon Levy Limited  
Statutory Auditors  
Arthur House  
Chorlton Street  
Manchester, M1 3FH  
09 September 2021

VITA MOJO INTERNATIONAL LTD  
Statement of Comprehensive Income  
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	4	1,508,167	1,952,657
Cost of sales		(978,026)	(1,794,009)
Gross profit		<u>530,141</u>	<u>158,648</u>
Administrative expenses		(3,986,548)	(4,599,207)
Other operating income	17	167,821	-
Operating loss	3	<u>(3,288,586)</u>	<u>(4,440,559)</u>
Other interest receivable	7	7,351	29,250
Loss on ordinary activities before taxation		<u>(3,281,235)</u>	<u>(4,411,309)</u>
Taxation	8	223,100	222,988
Loss for the financial year after taxation		<u>(3,058,135)</u>	<u>(4,188,321)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss)		<u>(3,058,135)</u>	<u>(3,826,061)</u>

There were no recognised gains and losses for the current and preceding financial year other than those included in the profit and loss account above and therefore no statement of total recognised gains and losses has been presented.

The results above are derived from continued operations.

The notes on pages 14 to 23 form part of these financial statements.

VITA MOJO INTERNATIONAL LTD  
Statement of Financial Position

at 31 December 2020

Company No. 09852472

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	9	3,207,838	2,667,879
Tangible assets	10	157,371	640,863
		<u>3,365,209</u>	<u>3,308,742</u>
Current assets			
Stocks	11	28,598	7,627
Debtors	12	782,772	975,301
Cash at bank and in hand		1,490,583	4,157,282
		<u>2,301,953</u>	<u>5,140,210</u>
Creditors: Amount falling due within one year	13	(597,180)	(423,133)
Net current assets		<u>1,704,773</u>	<u>4,717,077</u>
Total assets less current liabilities		<u>5,069,982</u>	<u>8,025,819</u>
Net assets		<u>5,069,982</u>	<u>8,025,819</u>
Capital and reserves			
Called up share capital	14	32,410	32,410
Share premium account	15	16,613,223	16,613,223
Other reserves	15	464,558	362,260
Profit and loss account	15	(12,040,209)	(8,982,074)
Total equity		<u>5,069,982</u>	<u>8,025,819</u>

The notes on pages 14 to 23 form part of these financial statements.

Approved by the board on 08 September 2021

And signed on its behalf by:



B.N. Popovici

Director

08 September 2021

VITA MOJO INTERNATIONAL LTD  
Statement of Changes in Equity  
for the year ended 31 December 2020

	Share Capital £	Share Premium £	Other Reserves £	Retained earnings £	Total equity £
At 1 January 2019	32,410	16,613,223	-	(4,793,753)	11,851,880
Share options			362,260		362,260
Loss for the period				(4,188,321)	(4,188,321)
At 31 December 2019 and 1 January 2020	32,410	16,613,223	362,260	(8,982,074)	8,025,819
Share options			102,298		102,298
Loss for the period				(3,058,135)	(3,058,135)
At 31 December 2020	<u>32,410</u>	<u>16,613,223</u>	<u>464,558</u>	<u>(12,040,209)</u>	<u>5,069,982</u>

VITA MOJO INTERNATIONAL LTD  
Statement of Cash Flows  
for the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Operating loss	(3,288,586)	(4,440,559)
Adjustments for:		
Depreciation of property, plant and equipment	264,744	251,604
Amortisation of intangible assets	906,237	485,708
Loss on disposal of tangible fixed assets	253,942	-
Share based payments	102,297	362,260
Increase in stocks	(20,971)	(7,627)
Decrease/(Increase) in trade and other receivables	192,541	(245,189)
Increase/(Decrease) in trade and other payables	174,047	(23,946)
Net cash used in operations	<u>(1,415,749)</u>	<u>(3,617,749)</u>
Income taxes recovered	223,088	222,988
Net cash used in operating activities	<u>(1,192,661)</u>	<u>(3,394,761)</u>
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	(24)	-
Payments for property, plant and equipment	(35,169)	(85,077)
Payments for intangible assets	(1,446,196)	(1,840,432)
Interest received	7,351	29,250
Net cash used in investing activities	<u>(1,474,038)</u>	<u>(1,896,259)</u>
Net decrease in cash and cash equivalents	(2,666,699)	(5,291,020)
Cash and cash equivalents at the beginning of the year	4,157,282	9,448,302
Cash and cash equivalents at the end of the year	<u>1,490,583</u>	<u>4,157,282</u>
Components of cash and cash equivalents		
Cash and bank balances	1,490,583	4,157,282
	<u>1,490,583</u>	<u>4,157,282</u>

VITA MOJO INTERNATIONAL LTD  
Notes to the Financial Statements  
for the year ended 31 December 2020

1 General information

VITA MOJO INTERNATIONAL LTD is a private company limited by shares and incorporated in England and Wales.

Its registered number is: 09852472

Its registered office is:

60 Cheapside

London

EC2V 6AX

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the accounting policies set out below.

The financial statements have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) and the Companies Act 2006.

2 Accounting policies

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	20%
Fixtures & fittings	33.33%
Plant and machinery	33.33%

Intangible assets

Expenditure on research and development are initially capitalised at cost. They are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight line method over their useful lives of five years.

Software development	20%
----------------------	-----

Impairment of fixed assets

At each balance sheet date, fixed assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset and it is written down accordingly.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to disposal

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised on the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantially enacted at the reporting date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Comprehensive Income.



Financial instruments

*Classification*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and 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.

*Recognition and measurement*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

*Impairment*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Research and development costs**

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 is 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 to administrative expenses on a straight line basis over their expected useful economic lives of 5 years. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

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.

**Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and Loss Account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a marketing vesting condition.

The fair value of the award also takes into account non-vesting conditions. There are either factors beyond the control of either party (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they best, the increase in the fair value of options, measure immediately before and after the modification, is also charged to the Profit and Loss Account over the remaining vesting period.

#### Pensions

The company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### Going concern

The accounts are prepared on a going concern basis, which assumes that the company will continue operations for the foreseeable future. The company's ability to meet future working capital requirements and therefore continue as a going concern is dependent on it being able to maintain its cash flow.

Given the entity's positive net asset position and success in raising investment the business is well placed to operate within its existing cash resources.

The company is therefore in a strong position to continue trading for the foreseeable future.

#### Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit
- Determine the expected useful life of each class of tangible and intangible asset. This has been determined using both judgement and in comparison to similar assets held by other companies operating in the same or similar industries. Depreciation and amortisation policies are reviewed annually to ensure their accuracy.
- Determine the fair value of the employee share options issued. This has been estimated using the Black Scholes model. The fair value of the options is re-calculated yearly to make sure that the share based payments cost included in administrative expenses is a reliable estimate.

There were no other key sources of estimation and uncertainty.

### 3 Operating Loss

	2020	2019
This is stated after charging:	£	£
Auditor's remuneration	20,000	20,000
Director's remuneration	173,315	242,055
Software development	489,495	504,031
(Gain)/ loss on sale of fixed assets	253,917	-
Depreciation of owned fixed assets	264,744	251,604
Amortisation of intangible fixed assets	906,236	485,708

VITA MOJO INTERNATIONAL LTD  
Notes to the Financial Statements

4 Turnover

Analysis of turnover by class of business:

	2020	2019
	£	£
Income from restaurants	321,557	1,780,405
Software recurring services income	724,453	128,960
Hardware and set up fee income	462,157	43,292
Total turnover	<u>1,508,167</u>	<u>1,952,657</u>

Analysis of turnover by country:

	2020	2019
	£	£
United Kingdom	1,508,167	1,952,657
Rest of Europe	-	-
Rest of the world	-	-
Turnover	<u>1,508,167</u>	<u>1,952,657</u>

5 Staff costs

	2020	2019
	£	£
Staff costs during the year (including directors) were as follows:		
Wages and salaries	472,653	705,087
Social security costs	36,471	133,841
Other pension costs	9,495	43,515
Total in company	<u>518,619</u>	<u>882,443</u>

The average monthly number of employees (including directors) during the year, analysed by category was as follows:

	Number	Number
Restaurant staff	19	39
Administration and support	14	14
Research and development	12	12
Total in company	<u>45</u>	<u>65</u>

VITA MOJO INTERNATIONAL LTD  
Notes to the Financial Statements

6 Directors' remuneration

Both directors S Catoiu and B Popovici were paid £107,500 each. From this amount £86,657.50 each was expensed to profit and loss and £20,842.50 was capitalised in intangible assets.

	2020	2019
Remuneration included within staff costs - Note 5 - in respect of directors was as follows:	£	£
Aggregate remuneration in respect of qualifying services expensed to profit and loss	173,315	242,055
Aggregate remuneration in respect of qualifying services capitalised in intangible assets	41,685	103,095
Total remuneration	<u>215,000</u>	<u>345,150</u>

7 Interest receivable

	2020	2019
	£	£
Bank interest receivable	7,351	29,250
	<u>7,351</u>	<u>29,250</u>

8 Taxation

(a) Tax on profit on ordinary activities	2020	2019
The tax charge is made up as follows:	£	£
UK corporation tax	-	-
Research and development claims for the period	(223,100)	(222,988)
Total corporation tax	<u>(223,100)</u>	<u>(222,988)</u>
Research and development claims	<u>(223,100)</u>	<u>(222,988)</u>

(b) Factors affecting the total tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020	2019
	£	£
Profit/ (loss) on ordinary activities before tax	<u>(3,281,235)</u>	<u>(4,411,309)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom	-	-
Research and development claims for the period	(223,100)	(222,988)
Research and development claims	<u>(223,100)</u>	<u>(222,988)</u>

9 Intangible fixed assets

	Develop- ment costs	Total
	£	£
Cost		
At 1 January 2020	3,371,859	3,371,859
Additions	1,446,196	1,446,196
At 31 December 2020	<u>4,818,055</u>	<u>4,818,055</u>
Amortisation and impairment		
At 1 January 2020	703,980	703,980
Charge for the year	906,237	906,237
At 31 December 2020	<u>1,610,217</u>	<u>1,610,217</u>
Net book values		
At 31 December 2020	<u>3,207,838</u>	<u>3,207,838</u>
At 31 December 2019	<u>2,667,879</u>	<u>2,667,879</u>

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost and disposals				
At 1 January 2020	1,031,784	25,942	172,689	1,230,415
Additions	17,813	16,398	958	35,169
Disposals	(892,745)	(1,549)	-	(894,294)
At 31 December 2020	<u>156,852</u>	<u>40,791</u>	<u>173,647</u>	<u>371,290</u>
Depreciation and disposals				
At 1 January 2020	492,293	5,903	91,355	589,551
Charge for the year	211,819	13,574	39,351	264,744
Disposals	(640,082)	(294)	-	(640,376)
At 31 December 2020	<u>64,030</u>	<u>19,183</u>	<u>130,706</u>	<u>213,919</u>
Net book values				
At 31 December 2020	<u>92,822</u>	<u>21,608</u>	<u>42,941</u>	<u>157,371</u>
At 31 December 2019	<u>539,491</u>	<u>20,039</u>	<u>81,334</u>	<u>640,863</u>

11 Stocks

	2020	2019
	£	£
Finished goods	28,598	7,627
	<u>28,598</u>	<u>7,627</u>

VITA MOJO INTERNATIONAL LTD  
Notes to the Financial Statements

12 Debtors

	2020	2019
	£	£
Trade debtors	280,291	99,271
Research and development claims	223,000	222,988
VAT recoverable	-	109,314
Other debtors	157,996	292,444
Prepayments and accrued income	121,485	251,284
	<u>782,772</u>	<u>975,301</u>

13 Creditors:  
amounts falling due within one year

	2020	2019
	£	£
Trade creditors	318,239	153,368
Corporation tax	-	-
Other taxes and social security	142,915	78,729
Other creditors	25,939	37,799
Accruals and deferred income	110,087	153,237
	<u>597,180</u>	<u>423,133</u>

14 Share Capital

Called-up share capital represents the nominal value of shares that have been issued.	Nominal value	2020	2020	2019
	£	Number	£	£
Allotted, called up and fully paid:				
Ordinary	0.001	31,739	31,739	31,739
B Ordinary	0.001	671,047	671	671
			<u>32,410</u>	<u>32,410</u>

15 Reserves

Other reserves	Other reserves	Total other reserves
	£	£
Share options	362,260	362,260
At 31 December 2019 and 1 January 2020	<u>362,260</u>	<u>362,260</u>
Movement in share options	102,298	102,298
At 31 December 2020	<u>464,558</u>	<u>464,558</u>

The company operates an employee share option plan, under which 1,699,767 options have been granted to 59 individuals at an exercise price of £0.288 for the shares of Vita Mojo International Ltd. 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.

Profit and loss account - includes all current and prior period retained profits and losses.

VITA MOJO INTERNATIONAL LTD  
Notes to the Financial Statements

16 Reconciliation of net debt

	At 1 January 2020	Cash flows	New HP/Finance leases	At 31 December 2020
	£	£	£	£
Cash and cash equivalents	4,157,282	(2,666,699)		1,490,583
	4,157,282	(2,666,699)	-	1,490,583
Net debt	<u>4,157,282</u>	<u>(2,666,699)</u>	<u>-</u>	<u>1,490,583</u>

17 Other operating income

Other operating income consists of amounts receivable for the financial year from the government's Coronavirus Job Retention Scheme.

Of the £167,821 receivable, £165,540 related to wages and £2,281 related to employer's national insurance.

18 Pension commitments

	2020 £	2019 £
Contributions to defined contribution scheme	9,495	43,515
Contributions to other schemes	-	-
Total pension contributions in financial year	<u>9,495</u>	<u>43,515</u>

19 Related party disclosures

Vita Mojo Ltd, Vita Mojo Trading and Vita Mojo Overseas Ltd are related parties under common control with Vita Mojo International Ltd (Vita Mojo Ltd and Vita Mojo Trading Ltd were dissolved in July 2021).

There were no transactions or closing positions with any related parties during the year. The ultimate beneficiary owners are B Popovici and VM Mod Partnerships S.C.