

Zoe Limited (formerly Zoe Global Limited)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the year ended 31 August 2021

Registered Number: 10902884

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Zoe Limited (formerly Zoe Global Limited)

STATEMENT OF FINANCIAL POSITION

as at 31 August 2021

Registered number: 10902884

	Notes	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	4	86,082	101,016
Intangible assets	5	279,543	331,862
Investments	6	424,057	59,927
Trade and other receivables	7	2,167,526	705,010
		<u>2,957,208</u>	<u>1,197,815</u>
Current assets			
Trade and other receivables	7	1,295,130	1,531,887
Cash and cash equivalents	9	25,057,514	14,954,242
		<u>26,352,644</u>	<u>16,486,129</u>
Total assets		<u>29,309,852</u>	<u>17,683,944</u>
Equity			
Called up share capital	10	29	25
Share premium account	18	41,632,347	25,984,569
Retained earnings	18	(14,234,822)	(9,364,621)
Total equity		<u>27,397,554</u>	<u>16,619,973</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,901,668	1,053,329
Non-current liabilities			
Other payables	13	10,630	10,642
Total liabilities		<u>1,912,298</u>	<u>1,063,971</u>
Total equity and liabilities		<u>29,309,852</u>	<u>17,683,944</u>

For the financial year ended 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The directors of the company have elected not to include a copy of the income statement within the financial statements.

Zoe Limited (formerly Zoe Global Limited)

STATEMENT OF FINANCIAL POSITION *(continued)*

as at 31 August 2021

Registered number: 10902884

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 on pages 1 to 21 were approved by the Board of Directors and authorised for issue on ~~21/12/21~~..... and signed on their behalf by:

Jonathan Wolf

J T Wolf
Director

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

1 ACCOUNTING POLICIES

(a) Basis of preparation

Zoe Limited ('the company') is a private limited company, incorporated and domiciled in England and Wales. The company changed its name from Zoe Global Limited to Zoe Limited on 4 March 2021. The registered office of the company is 164 Westminster Bridge Road, London, United Kingdom, SE1 7RW. The principal activities of the company and the nature of its operations are described in the Directors' Report.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and International Financial Reporting Committee ("IFRC") interpretations that are applicable to the financial statements for the year ended 31 August 2021, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared using the historical cost convention.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts on the basis that the group of which it is the parent qualifies as a small group. The financial statements present information about the company as an individual company and not about its group.

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 pound.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which circumstances change.

(b) New or amended Accounting Standards and Interpretations

New or amended standards in issue but not yet effective

The following standards, amendments and interpretations to existing standards have been published but are not effective and have not been early adopted by the company:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021).
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021).
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021).
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020) (effective 1 January 2022).

It is not anticipated that the adoption of the above standards, amendments and interpretations of existing standards will have a material impact on the company financial statements in the period of initial application.

(c) Going concern

The business has not yet begun to generate revenue and made a loss of £5,818,501 (2020: £5,706,933) which is in line with the business plan. At the year-end, the business had £25m of cash balances, which represents c2.5 times the administrative expenditure incurred in the current year, a significant element of which is discretionary spend on research and development. The business therefore has sufficient cash reserves to draw on as required and meet its obligation as they fall due for a period of at least twelve months from the date of approval of the financial statements. As such, the financial statements have been prepared on a going concern basis

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

1 ACCOUNTING POLICIES *(continued)*

(d) Foreign currency translation

Transactions in foreign currencies are translated into the functional currency of the company using the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

(e) Taxes

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income 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 by using tax rates that apply at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

(f) Intangible assets other than goodwill

Separately acquired trademarks, data licenses and intellectual property have a finite useful life and are stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided to write off the cost, less residual value, on a straight line basis over the estimated useful life, as follows:

Trademarks	10 years
Intellectual property	5 years
Data licenses	10 years

Research expenditure is recognised as an expense as incurred.

Development expenditure incurred on internally generated intangible assets is recognised as an intangible asset if all the following criteria are met:

- It is probable that the asset created will generate future economic benefits;
- The development cost of the asset can be measured reliably;
- Technical feasibility of completing the intangible asset can be demonstrated;
- There is the ability to use or sell the asset;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- There is intention to complete, use or sell the intangible asset.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

1 ACCOUNTING POLICIES (continued)

(f) Intangible assets other than goodwill (continued)

The directors do not consider that all these criteria are met for any of the company's development activities and as such all development expenditure incurred since the company was incorporated has been expensed as incurred.

Costs related to the registration of patents and trademarks are considered part of the company's development activities and, as such, are expensed as incurred.

Residual values, remaining useful lives and amortisation methods are reviewed annually and adjusted if appropriate.

The company assesses at each reporting date whether an asset may be impaired. If any such indicator exists, the company tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset, an impairment loss is required.

(g) Property, plant and equipment

All plant and equipment assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation of plant and equipment is provided to write off the cost, less residual value, on a straight line basis over the estimated useful life, as follows:

Fixtures and fittings	5 years
Computer equipment	3 years

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in the statement of comprehensive income.

The company assesses at each reporting date whether an asset may be impaired. If any such indicator exists, the company tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset, an impairment loss is required.

(h) Right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the company.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation method applied is as follows:

Leasehold property	- Over the lease term
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The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications, as set out below in the lease accounting policy.

(i) Leases

On commencement of a contract (or part of a contract) which gives the company the right to use an asset for a period of time in exchange for consideration, the company recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

1 ACCOUNTING POLICIES *(continued)*

(i) Leases *(continued)*

Short-term leases

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases of low-value assets

Where the underlying asset in a lease is 'low-value', lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the company's incremental borrowing rate because the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the company is reasonably certain to exercise and termination periods that the company is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependant on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Re-measurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the company's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the company's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the company's incremental borrowing rate at the date of the reassessment because the interest rate implicit in the lease cannot be readily determined.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

1 ACCOUNTING POLICIES *(continued)*

(j) Investments and other financial assets

Investments and other financial assets, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

The company have classified all investments in subsidiaries to be subsequently measured at amortised cost.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(k) Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are recognised initially at their fair value, net of direct transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Current assets investments

Current asset investments comprise deposits that have more than three months maturity from the date of acquisition. These are held to collect contractual cash flows which are solely payments of principal and interest. Therefore, these investments are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, short term deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value, net of direct transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at fair value on initial recognition net of transaction costs.

(l) Retirement benefits

Contributions to defined contribution plans are recognised as an expense as the contributions accrue.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

1 ACCOUNTING POLICIES *(continued)*

(m) Share based payments

Share-based payments of the company are equity-settled share options granted to employees, for which an option pricing model is used to estimate the fair value at grant date. That fair value is charged on a graded vesting basis, with the expense for each tranche of options recognised as an expense in the statement of comprehensive income over the period that the employee becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

The number of such options is adjusted annually to reflect best estimates of those expected to vest (ignoring purely market-based conditions) with consequent changes to the expense. Equity is also increased by the proceeds received, as and when employees choose to exercise their options.

(n) Government grants

Income from government grants is presented within other operating income.

The government grants are recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors consider the critical accounting judgements and key sources of estimation uncertainty used in the financial statements to be:

Share based payments

The fair value of share-based awards is measured using the Black-Scholes model which inherently makes use of significant estimates and assumptions concerning the future. Such estimates and assumptions include the expected life of the options and the number of employees that will achieve the vesting conditions. Further details of the share option scheme are given in note 10.

Useful life of intellectual property

The company purchased an intellectual property intangible asset in the prior year. At the reporting date the carrying amount of this intellectual property was £17,178 (2020: £32,178). The company estimates the remaining useful life of the intellectual property to be 1 year based on the expected economic benefits of the asset. However, the actual useful life may be shorter or longer depending on economic conditions and market factors.

Development expenditure

The company incurs a significant amount of expenditure on development activities related to its core intellectual property. Under IAS 38- 'Intangible assets', development costs incurred on internally generated intangible assets are required to be capitalised if certain criteria are met. The directors have exercised a critical judgement in determining that the criteria were not met at the year-end. As a result, all development expenditure the company has incurred since it was incorporated has been expensed as incurred and not capitalised.

Measurement of IFRS 16 lease liabilities and right-of-use assets

The Directors have exercised a number of judgements in order to measure the lease liability and right-of-use asset under IFRS 16, including the determination of the lease term and discount rate - note 13 provides further detail on these judgements. The carrying value of the right-of-use asset and lease liability at the reporting date are shown in notes 4 and 11/12 respectively.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

3 STAFF

The average number of employees (including directors) employed by the company during the year was 55 (2020: 34).

The aggregate payroll costs for employees, including directors, for the year were as follows:

	2021 £	2020 £
Wages and salaries	4,831,295	2,443,822
Social security costs	398,791	235,166
Other pension costs	56,653	32,829
Share based payments	584,170	419,991
	<u>5,870,909</u>	<u>3,131,808</u>

	2021 £	2020 £
DIRECTORS' REMUNERATION		
Emoluments	290,000	240,000
Pension contributions	2,577	2,629
	<u>292,577</u>	<u>242,629</u>

The number of directors to whom retirement benefits are accruing under money purchase scheme was 2 (2020: 2).

	2021 £	2020 £
HIGHEST PAID DIRECTOR		
Attributable to the highest paid director:		
Emoluments	145,000	120,000
Pension contributions	1,289	1,315
	<u>146,289</u>	<u>121,315</u>

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

4 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 31 August 2019	-	12,759	41,940	54,699
Additions	-	1,121	27,261	28,382
Recognised on transition to IFRS 16	95,148	-	-	95,148
At 31 August 2020	95,148	13,880	69,201	178,229
Additions	-	-	5,016	5,016
Re-measurement under IFRS 16	45,540	-	-	45,540
At 31 August 2021	140,688	13,880	74,217	228,785
Accumulated depreciation				
At 31 August 2019	-	479	13,521	14,000
Charge for the year	40,788	2,669	19,766	63,213
At 31 August 2020	40,778	3,148	33,287	77,213
Charge for the year	41,529	2,776	21,185	65,490
At 31 August 2021	82,307	5,924	54,472	142,703
Net book value				
At 31 August 2021	58,381	7,956	19,745	86,082
At 31 August 2020	54,370	10,732	35,914	101,016
At 31 August 2019	-	12,280	28,419	40,699

The depreciation charge is included within administrative expenses in the statement of comprehensive income.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

5 INTANGIBLE ASSETS

	Data License £	Trademarks £	Intellectual property £	Total £
Cost				
At 31 August 2019	365,158	8,031	75,000	448,189
At 31 August 2020	365,158	8,031	75,000	448,189
At 31 August 2021	365,158	8,031	75,000	448,189
Accumulated amortisation				
At 31 August 2019	34,215	1,971	27,822	64,008
Charge for the year	36,516	803	15,000	52,319
At 31 August 2020	70,731	2,774	42,822	116,327
Charge for the year	36,516	803	15,000	52,319
At 31 August 2021	107,247	3,577	57,822	168,646
Net book value				
At 31 August 2021	257,911	4,454	17,178	279,543
At 31 August 2020	294,427	5,257	32,178	331,862
At 31 August 2019	330,943	6,060	47,178	384,181

The intellectual property relates to the acquisition of the assets of MapMyGut, an application which provides a personalised analysis and interpretation of a patient's gut bacteria, for a cost of £75,000, which is being amortised over a period of 5 years.

Trademarks relate to the acquisition of a recognisable sign, design or expression which identifies products or services of a particular source from those of others. Trademarks are capitalised and amortised over a period of 10 years.

The data licence relates to a licence acquired to access data in relation to the development of the product and is amortised over a period of 10 years which is equal to the license period in the agreement.

The amortisation charge is included within administrative expenses in the statement of comprehensive income.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

6 INVESTMENTS

	Investment in subsidiary £
Cost	
At 1 September 2019	-
Additions	59,927
	<hr/>
At 31 August 2020	59,927
	<hr/>
Additions	364,130
	<hr/>
At 31 August 2021	424,057
	<hr/>
Carrying amount	
At 31 August 2021	424,057
	<hr/>
At 31 August 2020	59,927
	<hr/>
At 31 August 2019	-
	<hr/>

The company has one subsidiary undertaking; Zoe US Inc which was incorporated in September 2018. The registered office is 1209 Orange Street, Wilmington, New Castle, DE 19801. The company owns 100% of the subsidiary's share capital which comprises ordinary shares.

The aggregate amount of capital and reserves at 31 August 2021 and the result for the same period for Zoe US Inc was net liabilities of £1,508,879 (2020: net liabilities of £488,734) and a loss of £1,178,195 (2020: loss of £239,328) respectively.

Additions reflect the allocation of the share based payment charge in relation to the employees of the subsidiary undertaking.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

7 TRADE AND OTHER RECEIVABLES

	2021	2020
	£	£
Current		
Prepayments and accrued income	458,315	493,280
Corporation tax recoverable	705,426	985,239
Other receivables	131,389	53,368
	<u>1,295,130</u>	<u>1,531,887</u>
Non-current		
Amounts owed by group undertakings	2,167,526	705,010
	<u>3,462,656</u>	<u>2,236,897</u>

There is no material difference between the fair value of receivables and their carrying amount. No impairment charge was recognised in the current or prior year.

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short term deposits held with banks. Cash and short term deposits and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2021	2020
	£	£
Cash on hand and balances with banks	25,057,514	14,954,242
	<u>25,057,514</u>	<u>14,954,242</u>

The carrying amount of these assets approximates to their fair value.

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

9	SHARE CAPITAL	2021	2020
		£	£
	Issued and fully paid		
	4,732,768 (2020: 4,429,893) Ordinary shares of £0.0000001 each	-	-
	56,793,911 (2020: 56,793,911) Seed shares of £0.0000001 each	6	6
	100,000,000 (2020: 100,000,000) Founder shares of £0.0000001 each	10	10
	89,095,417 (2020: 89,095,417) Series A shares of £0.0000001 each	9	9
	36,563,242 (2020: nil) Series B shares of £0.0000001 each	4	-
		<hr/>	<hr/>
		29	25
		<hr/>	<hr/>

39,866,117 (2020: 17,746,540) shares were issued during the year. All shares issued in the current and prior year were issued for cash.

The company's Ordinary, Seed, Series A, Series B and Founder shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. In the event of liquidation, the holders of Seed, Series A shares and Series B shares shall rank first in order of preference of the distribution of the surplus assets of the company after paying off all liabilities followed by Series A and Seed shares and finally Founder and Ordinary shares.

The Founder shares have rights specific to them. The company will not, without the prior written approval of the Founder shareholders holding not less than 75% in nominal value of the Founder shares, undertake a change in the company structure, nature of business, appoint and remove Directors or dismiss any of the Founder shareholders as employees.

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

10 SHARE BASED PAYMENTS

The following options have been granted over £0.0000001 Ordinary shares in the company:

Grant date	As at 1 September 2020	Granted	Forfeited	Exercised	As at 31 August 2021	Exercise price
Employee scheme:						
From 1 September 2017 – 31 March 2018	9,983,530	-	(218,750)	(281,250)	9,483,530	0.0000001p
From 1 April 2018 – 31 August 2018	140,000	-	(5,000)	(5,000)	130,000	3.4p
From 11 September 2018 – 5 November 2018	950,000	-	-	-	950,000	3.4p
From 1 April 2019 – 12 July 2019	740,000	-	(10,000)	-	730,000	6.0p
On 1 April 2019	25,000	-	-	-	25,000	7.0p
From 3 October 2019 – 9 March 2020	5,975,820	-	(2,280,221)	(16,625)	3,678,974	6.0p
On 3 October 2019	45,000	-	-	-	45,000	7.0p
From 23 July 2020 – 25 August 2020	675,000	-	(125,000)	-	550,000	6.8p
From 3 July 2020 – 10 August 2020	3,698,616	-	-	-	3,698,616	8.0p
From 1 September 2020 – 9 December 2020	-	890,000	(150,000)	-	740,000	6.8p
On 15 September 2020	-	15,000	(5,000)	-	10,000	8.0p
On 11 January 2021	-	300,000	-	-	300,000	6.8p
From 12 February 2021 – 7 June 2021	-	3,079,702	-	-	3,079,702	13.0p
From 8 June 2021 – 16 August 2021	-	2,598,782	(5,000)	-	2,593,782	11.05p
From 12 July 2021 – 13 July 2021	-	60,000	-	-	60,000	13.0p

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

10 SHARE BASED PAYMENTS *(continued)*

Grant date	As at 1 September 2020	Granted	Forfeited	Exercised	As at 31 August 2021	Exercise price
Advisor Scheme:						
From 1 September 2017 – 31 March 2018	1,015,000	-	-	-	1,015,000	0.0000001p
From 1 September 2017 – 31 March 2018	220,000	-	-	-	220,000	4.0p
From 1 April 2018 – 31 August 2018	210,000	-	-	-	210,000	0.0000001p
From 10 October 2018 – 5 November 2018	213,807	-	-	-	213,807	4.0p
From 9 May 2019 – 9 June 2019	138,000	-	-	-	138,000	7.0p
From 3 October 2019 – 28 January 2020	374,802	-	-	-	374,802	7.0p
From 15 September 2020 - 12 October 2020	-	300,000	-	-	300,000	8.0p
From 4 March 2021 - 13 August 2021	-	537,000	-	-	537,000	13.0p
MMS Scheme:						
From 1 September 2017 - 13 August 2018	767,135	-	-	-	767,135	£1
	<u>25,171,710</u>	<u>7,780,484</u>	<u>(2,798,971)</u>	<u>(302,875)</u>	<u>29,850,348</u>	

The total expense recognised by the company in profit and loss in the year in respect of share options was £584,170 (2020: £419,991). £364,130 (2020: £59,927) was recognised in investments in respect of the charge attributable to employees of the company's subsidiary undertaking.

Equity-settled share option plan

The company has a share option scheme with 3 distinct types of options.

Under the Enterprise Management Incentive plan, the participants are granted options which only vest if the employee remains in employment with the company at the vesting date. 25% of the options vest after the first anniversary of the grant date and a subsequent 6.25% vest quarterly thereafter until the option is fully vested. (The options lapse 10 years at the end of the day before the tenth anniversary of the grant date).

Under the Advisory Option Plan, participants are granted options which only vest if certain service conditions are met. The options vest in equal instalments after each subsequent month during which the participant serves as an advisor to the company after the vesting start date until the options are fully vested. The total vesting period varies and is between 12 months and 48 months. The options may only be exercised by the option holder following notification of an impending exit event, including business

Zoe Limited (formerly Zoe Global Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

10 SHARE BASED PAYMENTS (continued)

sale or reorganisation. The options lapse 10 years at the end of the day before the tenth anniversary of the grant date.

Under the MMS plan, participants are granted options which vest over a period of 4 years. The option may only be exercised by the option holder following notification of an impending exit event, including business sale or reorganisation. The options lapse 15 years at the end of the day before the fifteenth anniversary of the grant date.

	2021		2020	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at 1 September	25,171,710	7.69p	19,384,389	6.14p
Granted during the year	7,780,484	11.19p	10,994,238	6.76p
Exercised	(302,875)	0.39p	(431,176)	3.40p
Forfeited during the year	(2,798,971)	5.60p	(4,775,741)	5.54p
	<u>29,850,348</u>	<u>9.95p</u>	<u>25,171,710</u>	<u>7.69p</u>
Outstanding at 31 August	29,850,348	9.95p	25,171,710	7.69p
	<u>12,123,023</u>	<u>1.92p</u>	<u>6,833,831</u>	<u>0.44p</u>
Exercisable at 31 August	12,123,023	1.92p	6,833,831	0.44p

The options outstanding at 31 August 2021 had an exercise price between £0.0000001 and £1 (2020: between £0.0000001 and £1) and a weighted average remaining contractual life of 1.86 years (2020: 1.81 years). The weighted average fair value of each option granted during the year was 18.0p (2020: 11.7p).

The estimate of the grant date fair value of each option is based on the Black Scholes model. The inputs into the Black Scholes model are as follows:

	2021		2020	
	EMI	Advisor	EMI	Advisor
Weighted average share price	26.3p	26.3p	16.8p	16.8p
Weighted average exercise price	£0.11	£0.11	£0.07	£0.07
Expected volatility	59.6% - 72.6%	73.8% - 75.7%	61.3% - 68.6%	68.2% - 69.8%
Expected life	3 years	5 years	3 years	5 years
Risk free rate	-0.2% - 0.2%	-0.1% - 0.3%	-0.1% - 0.5%	0.3% - 0.5%
Expected dividends	Nil	Nil	Nil	Nil

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 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 for the year ended 31 August 2021

10 SHARE BASED PAYMENTS *(continued)*

Expected volatility was determined by calculating the historical volatility of similar companies' share prices over the previous years based on the expected life of each type of option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

11 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES	2021	2020
	£	£
Trade payables	241,350	198,069
Other payables	367,952	97,872
Lease liabilities (note 13)	45,476	43,764
Accrued liabilities	1,246,890	713,624
Amounts owed to group undertakings		-
	<u>1,901,668</u>	<u>1,053,329</u>
Other payables comprise:		
Other tax and social security	301,377	85,729
Pension payable	26,756	12,143
Miscellaneous minor items	39,819	-
	<u>367,952</u>	<u>97,872</u>

The company had trade payables denominated in Euros of £nil (2020: £71,289) and £nil (2020: £102,209) denominated in US Dollars at the year end

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short term nature.

12 NON-CURRENT LIABILITIES – OTHER PAYABLES

	2021	2020
	£	£
Lease liabilities (note 13)	10,630	10,642
	<u>10,630</u>	<u>10,642</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

13 LEASES

Maturity analysis of lease liabilities

The maturity of the gross contractual undiscounted cash flows due on the company's lease liability is set out below based on the period between 31 August 2021 and the end of the lease term as determined for IFRS 16.

	Less than 1 year £	1 to 5 years £	Over 5 years £	2021 £
Property lease	45,700	10,628	-	56,328
	=====	=====	=====	=====
	Less than 1 year £	1 to 5 years £	Over 5 years £	Total 2020 £
Property lease	45,700	10,628	-	56,328
	=====	=====	=====	=====

Lease terms

The company has one lease of the ground floor of a property, used as its head office. The contractual end date of the lease is 5 January 2023 with tenant break clauses on the 18 December and 18 June of each year up to the contractual end date. At the reporting date in the prior year management considered it reasonably certain that the option to terminate the lease would be exercised on 18 December 2021. As such, the lease term for the application of IFRS 16 in the prior year was considered to be the period from 1 September 2019 to 18 December 2021. In the current year, the lease was extended and at the reporting date, management consider it reasonably certain that the option to terminate the lease will now be exercised on 18 December 2022. The lease accounting was adjusted in the year to reflect this. These lease terms are the periods reflected in the analysis of gross contractual undiscounted cash flows above.

14 RETIREMENT BENEFIT OBLIGATIONS

The company pension arrangements are operated through a defined contribution scheme. The amount recognised as an expense in the year ended 31 August 2021 is £56,653 (2020: £32,829).

Included with other payables is £26,756 (2020: £12,143) relating to pension commitments at the year end.

15 FINANCIAL RISK MANAGEMENT

The company's operations expose it to a number of financial risks including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The company manages these risks through an effective risk management programme.

Liquidity risk

The company closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations of the company as they fall due.

The Board receives regular cash flow forecasts which estimate the cash inflows and outflows so that management can ensure that sufficient funding is in place as it is required.

The maturity of trade liabilities is for a period of time equal to less than 6 months.

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

15 FINANCIAL RISK MANAGEMENT *(continued)*

Interest rate profile

The company has cash deposits of £25,057,514 (2020: £14,954,242) at the year end.

The company had no interest bearing borrowings at 31 August 2021 (2020: £nil).

Borrowing facilities

The company had no un-drawn committed borrowing facilities at 31 August 2021 (2020: £nil).

Credit risk exposure

Credit risk predominantly arises from trade and other receivables and cash and cash equivalents.

Trade receivables at the year end totalled £nil (2020: £nil) and other receivables is principally comprised of a debtor due from the Department of Health and Social Care (DHSC) for grant income, reducing exposure to credit risk greatly. Cash and cash equivalents are held in a diverse range of accounts creating a more diverse range of bank deposits which helps to reduce credit risk.

The company's maximum exposure to credit risk relating to its financial assets is equivalent to their carrying value, as disclosed in note 24. All financial assets have a fair value which is equal to their carrying value.

Foreign currency exposure

Since the company operates internationally, it is exposed to foreign currency risk as part of its normal business as the company carries out research activities in both Europe and the United States.

The amount of trade payables denominated in a foreign currency is shown in note 16.

The company holds bank accounts denominated in USD and Euros to mitigate any foreign currency risk exposure.

16 CAPITAL MANAGEMENT

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There is no external debt in the company.

17 RESERVES

Share premium account

Represents amounts subscribed for share capital in excess of nominal value, net of directly attributable share issue costs.

Retained earnings

Retained earnings represent the accumulated retained profits and losses less payment of dividends.

18 KEY MANAGEMENT PERSONNEL COMPENSATION

Disclosures required in respect of IAS 24 regarding remuneration of key management personnel is covered by the disclosure of directors' remuneration included within note 3.

Zoe Limited (formerly Zoe Global Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

19 FINANCIAL INSTRUMENTS

Financial assets at amortised cost	2021 £	2020 £
Other receivables	303,548	497,807
Cash and cash equivalents	25,057,514	14,954,242
Amounts due from group undertakings	2,167,526	705,010
	<u>27,528,588</u>	<u>16,157,059</u>
 Financial liabilities at amortised cost	 2021 £	 2020 £
Trade and other payables	1,610,921	978,242
	<u>1,610,921</u>	<u>978,242</u>