

Tyk Technologies Limited

Annual Report and Financial Statements

For the year ended 31 December 2023

Company Registration No. 09727592 (England and Wales)

Tyk Technologies Limited

Company Information

Directors M Buhr
C Noren
M Samaan
J Hirst
A Murray
M F Brennan (Appointed 3 April 2023)

Secretary J Cowen

Company number 09727592

Registered office 87a Worship Street
London
United Kingdom
EC2A 2BE

Auditor Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Tyk Technologies Limited

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Tyk Technologies Limited

Strategic Report

For the year ended 31 December 2023

The directors present the strategic report for the year ended 31 December 2023.

Background to the Business

Since 2016, Tyk has had the singular mission of connecting every system in the world. Rocketing from 'Niche Players' to 'Visionaries' in Gartner's 2020 Full Lifecycle API Management Magic Quadrant, Tyk quickly established itself as one of the leading API (Application Programming Interface) management platforms. Fast forward to today and Tyk is now recognised as a 'Leader' in Gartner's 2023 Magic Quadrant. This transition is no small feat and reflects the impact our ideas are having in shaping the market around us, our unwavering commitment to our mission and our focus on democratising connectivity so that our users can create better API experiences for all.

There is an exponential growth in data being produced by organisations around the world, fuelled by technologies including cloud computing and storage, internet-connected devices (or the "Internet of Things"), artificial intelligence and mobile applications. With 83% of all network traffic now going through APIs, ensuring that these software systems and applications can talk to each other, as well as to "legacy" systems that can be more than 30 years old, can be a major headache for IT departments and IT developers in organisations of all types and sizes.

One of the main ways to connect numerous software applications is through open source "Application Programming Interfaces" (APIs). APIs have become the backbone of modern businesses, the lifeblood of new revenue streams, and the connective tissue that unites teams with one another and their API consumers. So it's of vital importance that they are protected with a layer that makes managing, maintaining, monitoring and exposing them (to other internal and external systems) both simple and secure.

That layer is API Management: think of it as the digital plumbing of modern technology teams. And Tyk excels at it, playing an important role in mission-critical applications which run all around us. Whilst our market-leading solution is still the heart and soul of what Tyk does, and always will be, we're building a solution which takes care of the entire API experience for organisations: whether it's improving developer productivity, monetisation of existing data streams, or keeping cruise liners' digital experiences afloat whilst they're at sea.

Today, APIs are front and centre in digital experiences, driving change and innovation within organisations. Tyk's suite of API experience tools provide end-to-end support: full lifecycle API management, deployed however you want, to manage whatever API protocols you're using (from REST to GraphQL via Events). Built for product, platform and API development teams, Tyk ensures APIs are revolutionary for every part of the organisation.

Aligned with its innovation focus, Tyk prioritises trust, with security and reliability forming the bedrock of its operations. The company attained its ISO 9001 certification for quality management systems in 2017, followed by ISO 27001 certification for information security in 2019, and SOC2 certification in 2021, and maintains each of these on an annual basis. These certifications underscore Tyk's commitment to maintaining the highest standards, with annual audits conducted by external consultants. As of 2023, our SOC2 and ISO certifications have all been reissued.

Tyk benefits from a robust non-executive board, comprising its Chairman Carl Pontus Noren, and representatives from Scottish Equity Partners and MMC Ventures Limited, along with seasoned executives. Leveraging this wealth of experience, Tyk strategically navigates growth and expansion, ensuring adaptability and resilience in the face of market dynamics.

Tyk Technologies Limited

Strategic Report (Continued)

For the year ended 31 December 2023

Principal risks and uncertainties

Competition

Tyk operates in a highly competitive market, where other companies provide similar API management solutions. Tyk's continuous focus on innovation and product development, coupled with our progress as a Gartner 'Leader' and our record of exceptional customer service, ensure our tailored solutions remain competitive and meet evolving customer needs.

Technology

The rapid pace of technological advancements and the resulting changing of customer needs pose an inherent risk when scaling a platform and services over time to an increasing customer base. Tyk's commitment to research and development will help to ensure Tyk continues to operate at the forefront in terms of API management solutions and addressing emerging industry trends.

People

Our team is central to the success of Tyk and its mission to connect every system in the world. A breadth and depth of technical and business experience is required to ensure we are able to meet the needs of our customers and the demands of an ever evolving technical landscape as we scale our product offering. Our ability to attract new talent, alongside engaging and retaining our team, is vital to our success in these endeavours. The initiatives and investments we are making in our team, and our remote first culture, help to ensure that we remain as a competitive and attractive global employer.

Fair review of the Business and Key Performance Indicators

The Board considers the Group's Key Performance Indicators (KPIs) to be turnover, gross profit margin, operating loss and customer satisfaction.

In 2023, turnover grew by 23%, reaching £9.36 million, with EMEA and Americas regions solidifying their positions as key growth markets for Tyk. Across the market, there is an ongoing focus on automation, operational efficiency, and resilience, as well as infrastructure security. In tandem with an expanding addressable market in all regions, we believe this is contributing to the creation of opportunities for growth where Tyk continues to be well placed to respond and deliver for customers.

Continued investment into our highly regarded customer support capabilities has seen us achieve 98% customer satisfaction scoring in 2023. Alongside this, we have also looked to drive efficiencies into and optimise our hosting costs. These optimisations and the sunsetting of our legacy cloud product offerings have contributed to an improvement in gross margin which has risen from 85% in 2022 to 87% in 2023.

During the course of 2023, a focus on operational efficiency and cost optimisation has contributed to the reduction in operating losses which have decreased from £8.5 million in 2022 to £6.4 million in 2023. Increased growth and operational efficiencies have contributed to lowering the net decrease in cash and cash equivalents during the year to £4.8 million (down from a £7.1 million net decrease in 2022).

These financial changes reflect management's ongoing commitment to sustainable growth alongside making the right investments in our team, operational enhancements and initiatives that will support Tyk's future growth and market positioning and drive long-term success.

Tyk Technologies Limited

Strategic Report (Continued)

For the year ended 31 December 2023

We believe that a cornerstone to that long-term success is also our "remote-first" business model. Operating across 28 countries, we are dedicated to providing a flexible and remote workplace for all Tyklings. Our commitment to this approach is demonstrated by our Flexa accreditation, earned in both 2022 and 2023 and our intention to become certified as a 'great place to work' in 2024.

We are passionate about fostering personal and professional growth for our team members, ensuring they enjoy the journey with us and achieve beyond their expectations. Tyk offers its employees a unique 12-week 1-2-1 coaching program that helps each individual uncover what is most meaningful to them, both in their career and personal life. This development program is driven by the individual, not the business. Additionally, we offer opportunities for team members to become personal development coaches, with 10% of our team already trained as coaches and mentors.

For several years, Tyk has run a micro-grant program called the "Tyk Side Project Fund," which financially supports unique and innovative side projects.

Key employee-related initiatives that Tyk support include:

- Offering 2 days of volunteering leave per year for each team member.
- Hosting an annual company retreat, which is invaluable for business development. These retreats provide a unique opportunity to step back from day-to-day activities and gain new perspectives on communication, teamwork, and creative problem-solving.
- Launching our first graduate program in 2022 and continuing it in 2023 to invest in, and train, entry-level graduates.
- Proudly maintaining that 30% of our workforce are women, surpassing the industry standard of 27%.
- Holding an annual "Wellbeing Week", featuring meditation sessions, lectures on avoiding burnout, and a "Tyk Wellbeing Day," when the company shuts down to allow team members to focus on their wellbeing for the day.
- Providing access to an online mental health and wellbeing platform (Plumm) for support and counselling as needed.

These dynamic initiatives ensure that people, society, and the environment remain at the forefront of everything we do and represent as a business.

On behalf of the board

J Hirst
Director

28 June 2024

Tyk Technologies Limited

Directors' Report

For the year ended 31 December 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company and group is the development and sale of a software platform that allows businesses to manage their API gateways.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Buhr	
K Davidson	(Resigned 3 April 2023)
C Noren	
M Samaan	
J Hirst	
A Murray	
M F Brennan	(Appointed 3 April 2023)
N Malhotra	(Appointed 21 June 2023 and resigned 26 June 2023)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

J Hirst
Director

28 June 2024

Tyk Technologies Limited

Directors' Responsibilities Statement

For the year ended 31 December 2023

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tyk Technologies Limited

Independent Auditor's Report

To the Members of Tyk Technologies Limited

Opinion

We have audited the financial statements of Tyk Technologies Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Tyk Technologies Limited

Independent Auditor's Report (Continued)

To the Members of Tyk Technologies Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

Tyk Technologies Limited

Independent Auditor's Report (Continued)

To the Members of Tyk Technologies Limited

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 judgement 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 purposes 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 group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 group or the parent 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 group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tyk Technologies Limited

Independent Auditor's Report (Continued)

To the Members of Tyk Technologies Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

Katherine Edwards (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

28 June 2024

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Tyk Technologies Limited

Group Profit and Loss Account

For the year ended 31 December 2023

		2023	2022
	Notes	£	£
Turnover	3	9,373,019	7,649,168
Cost of sales		(1,198,747)	(1,108,346)
		<hr/>	<hr/>
Gross profit		8,174,272	6,540,822
Administrative expenses		(15,499,700)	(15,569,128)
Other operating income		9,296	259,362
		<hr/>	<hr/>
Operating loss	4	(7,316,132)	(8,768,944)
Interest receivable and similar income	8	311,184	120,851
Interest payable and similar expenses	9	-	(40)
		<hr/>	<hr/>
Loss before taxation		(7,004,948)	(8,648,133)
Tax on loss	10	353,634	445,864
		<hr/>	<hr/>
Loss for the financial year	22	(6,651,314)	(8,202,269)
		<hr/> <hr/>	<hr/> <hr/>

Loss for the financial year is all attributable to the owners of the parent company.

The notes on pages 19 to 38 form part of these financial statements.

Tyk Technologies Limited

Group Statement of Comprehensive Income

For the year ended 31 December 2023

	2023 £	2022 £
Loss for the year	(6,651,314)	(8,202,269)
Other comprehensive income		
Currency translation gain/(loss) taken to retained earnings	79,133	(329,587)
Total comprehensive income for the year	<u>(6,572,181)</u>	<u>(8,531,856)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

Tyk Technologies Limited

Group Balance Sheet

As at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		35,432		84,929
Current assets					
Debtors	15	2,305,480		2,282,496	
Cash at bank and in hand		9,088,567		13,868,479	
		<u>11,394,047</u>		<u>16,150,975</u>	
Creditors: amounts falling due within one year	16	<u>(5,506,027)</u>		<u>(4,808,962)</u>	
Net current assets			5,888,020		11,342,013
Total assets less current liabilities			<u>5,923,452</u>		<u>11,426,942</u>
Creditors: amounts falling due after more than one year	17		(2,343,927)		(1,630,703)
Provisions for liabilities					
Deferred tax liability	18	<u>(5,889)</u>		<u>(12,599)</u>	
			(5,889)		(12,599)
Net assets			<u>3,573,636</u>		<u>9,783,640</u>
Capital and reserves					
Called up share capital	21		250		250
Share premium account	22		28,150,678		28,150,606
Other reserves	22		622,831		260,726
Profit and loss reserves	22		(25,200,123)		(18,627,942)
Total equity			<u>3,573,636</u>		<u>9,783,640</u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2024 and are signed on its behalf by:

J Hirst
Director

Tyk Technologies Limited

Company Balance Sheet

As at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		30,983		73,737
Investments	13		-		57,063
			<u>30,983</u>		<u>130,800</u>
Current assets					
Debtors	15	1,983,034		3,887,184	
Cash at bank and in hand		7,549,500		12,076,184	
		<u>9,532,534</u>		<u>15,963,368</u>	
Creditors: amounts falling due within one year	16	<u>(2,644,735)</u>		<u>(2,676,548)</u>	
Net current assets			<u>6,887,799</u>		<u>13,286,820</u>
Total assets less current liabilities			<u>6,918,782</u>		<u>13,417,620</u>
Creditors: amounts falling due after more than one year	17		(1,244,666)		(915,857)
Provisions for liabilities					
Deferred tax liability	18	<u>(5,889)</u>		<u>(12,599)</u>	
			<u>(5,889)</u>		<u>(12,599)</u>
Net assets			<u>5,668,227</u>		<u>12,489,164</u>
Capital and reserves					
Called up share capital	21		250		250
Share premium account	22		28,150,678		28,150,606
Other reserves	22		622,831		260,726
Profit and loss reserves	22		(23,105,532)		(15,922,418)
Total equity			<u>5,668,227</u>		<u>12,489,164</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £7,183,114 (2022 - £8,656,696 loss).

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

Tyk Technologies Limited

Company Balance Sheet (Continued)

As at 31 December 2023

The financial statements were approved by the board of directors and authorised for issue on 28 June 2024 and are signed on its behalf by:

J Hirst
Director

Company Registration No. 09727592 (England and Wales)

Tyk Technologies Limited

Group Statement of Changes in Equity
For the year ended 31 December 2023

	Share capital	Share premium account	Warrant Reserves	Share Options Reserve	Employee loss reserves	Profit and	Total
	£	£	£	£	£	£	£
Balance at 1 January 2022	249	28,149,889	-	102,381	(10,098,779)	18,153,740	
Year ended 31 December 2022:							
Loss for the year	-	-	-	-	(8,202,269)	(8,202,269)	
Other comprehensive income:							
Currency translation differences	-	-	-	-	(329,587)	(329,587)	
Total comprehensive income for the year	-	-	-	-	(8,531,856)	(8,531,856)	
Issue of share capital	1	717	-	-	-	718	
Movement in share options	-	-	-	158,345	-	158,345	
Other movements	-	-	-	-	2,693	2,693	
Balance at 31 December 2022	250	28,150,606	-	260,726	(18,627,942)	9,783,640	

Tyk Technologies Limited

Group Statement of Changes in Equity (Continued)

For the year ended 31 December 2023

	Share capital	Share premium account	Warrant Reserves	Share Reserve	Employee Option/loss reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£	£
Year ended 31 December 2023:							
Loss for the year	-	-	-	-	-	(6,651,314)	(6,651,314)
Other comprehensive income:							
Currency translation differences	-	-	-	-	-	79,133	79,133
Total comprehensive income for the year							
Issue of share capital	21	72	-	-	-	(6,572,181)	(6,572,181)
Movement in share options	-	-	-	174,800	-	-	174,800
Issue of warrants	22	-	187,305	-	-	-	187,305
Balance at 31 December 2023	250	28,150,678	187,305	435,526	(25,200,123)	3,573,636	

Tyk Technologies Limited

Company Statement of Changes in Equity
For the year ended 31 December 2023

	Share capital	Share premium account	Warrant Reserves	Share based payment Reserve	Employee Option loss reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£	£
Balance at 1 January 2022	249	28,149,889	-	102,381	(7,265,722)	20,986,797	
Year ended 31 December 2022:							
Loss and total comprehensive income for the year	-	-	-	-	(8,656,696)	(8,656,696)	
Issue of share capital	21	717	-	-	-	718	
Movement in share options	-	-	-	158,345	-	-	158,345
Balance at 31 December 2022	250	28,150,606	-	260,726	(15,922,418)	12,489,164	
Year ended 31 December 2023:							
Loss and total comprehensive income for the year	-	-	-	-	(7,183,114)	(7,183,114)	
Issue of share capital	21	72	-	-	-	72	
Movement in share options	-	-	-	174,800	-	-	174,800
Issue of warrants	22	-	187,305	-	-	-	187,305
Balance at 31 December 2023	250	28,150,678	187,305	435,526	(23,105,532)	5,668,227	

Tyk Technologies Limited

Group Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023		2022 as restated	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	27	(5,148,684)		(8,030,220)	
Interest paid		-		(40)	
Income taxes (paid)/refunded		(26,417)		835,979	
Net cash outflow from operating activities		(5,175,101)		(7,194,281)	
Investing activities					
Purchase of tangible fixed assets		(2,116)		(4,782)	
Proceeds from disposal of tangible fixed assets		6,514		2,742	
Interest received		311,184		120,851	
Net cash generated from investing activities		315,582		118,811	
Financing activities					
Proceeds from issue of shares		72		718	
Net cash generated from financing activities		72		718	
Net decrease in cash and cash equivalents		(4,859,447)		(7,074,752)	
Cash and cash equivalents at beginning of year		13,868,479		21,272,784	
Effect of foreign exchange rates		79,535		(329,553)	
Cash and cash equivalents at end of year		9,088,567		13,868,479	

Tyk Technologies Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Company information

Tyk Technologies Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Tyk Technologies Limited and all of its subsidiaries.

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.

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. The principal accounting policies adopted are set out below.

1.2 Disclosure restatements

Certain comparative disclosures have been amended, as indicated in notes 6 and 27, to ensure consistency with current year disclosures. These restatements have had £nil impact on the overall figures reported for the prior period.

In addition, the directors have reclassified deferred income between creditors due within one year and creditors due after one year as indicated in note 17 as this was incorrectly classified all as creditors due within one year in the prior period. This restatement has increased the net current asset position of the group by £1,630,703 and of the company by £915,857 as at 31 December 2022. This restatement has had £nil impact on the net assets or reported loss for the year of the group or company.

1.3 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Tyk Technologies Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.5 Going concern

In line with management's expectations the group made a loss of £6.5m (2022: £8.2m) in the financial year ended 31 December 2023 due to continued significant investment in our capabilities, from customer support, sales and marketing through to research and development. Cash flows from the renewal of our recurring revenue base coupled with new business growth will further support the group and company in the financial year ahead. In addition, the group also has a loan facility of £4.5m, which can be drawdown at any point to the end of October 2024. This means that the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Turnover

Turnover represents the value, net of VAT and discounts, derived from software licence and related support services provided to customers and recognised on a straight line basis over the period of the contract. Where payments are received by customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies (Continued)

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Other intangible assets	25% straight line
-------------------------	-------------------

1.8 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:

Fixtures and fittings	between 15% and 25% straight line
Computers	25% 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 recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the 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.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

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.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 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 group'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 if, and only if, there is 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.

1.15 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.

1.16 Retirement benefits

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

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

1.17 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 HMRC approved valuation model for the EMI option scheme. 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. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 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.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Share based payments

The value of staff costs in relation to the grant of new options is calculated based on a discounted fair value of the parent company's shares. The cost of options that vest upon an exit event are estimated to vest after four years on a straight line basis.

Recoverability of R&D claim

Included within debtors due within one year is an amount of £857,732 (2022: £484,391) relating to amounts owed by HMRC in respect of R&D claims. The claim is based on calculations submitted to HMRC involving judgement around cost allocation and reporting. Since the balance sheet date the 2022 claim has been approved and paid to the company and the 2023 claim is in progress.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Provision of software licences and related support services	9,373,019	7,649,168
	<u>9,373,019</u>	<u>7,649,168</u>
Turnover analysed by geographical market		
United Kingdom	1,283,374	1,256,375
Rest of Europe	2,173,730	1,983,602
Rest of the World	5,915,915	4,409,191
	<u>9,373,019</u>	<u>7,649,168</u>
Other revenue		
Interest income	311,184	120,851
	<u>311,184</u>	<u>120,851</u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

4 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	18,846	(242,331)
Depreciation of owned tangible fixed assets	38,718	57,963
Loss on disposal of tangible fixed assets	5,979	2,170
Share-based payments	174,800	158,344
Operating lease charges	147,535	141,863
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	40,500	45,200
	<u> </u>	<u> </u>
For other services		
All other non-audit services	6,500	-
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Commercial and product development	46	61	21	39
Administration and operations	24	24	23	15
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	70	85	44	54
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2023	2022 restated	Company 2023	2022 restated
	£	£	£	£
Wages and salaries	7,068,005	7,365,716	4,466,714	4,779,845
Social security costs	609,326	800,736	481,244	626,789
Pension costs	164,592	146,187	72,375	76,758
	<u>7,841,923</u>	<u>8,312,639</u>	<u>5,020,333</u>	<u>5,483,392</u>

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	500,826	489,751
Company pension contributions to defined contribution schemes	3,522	3,522
	<u>504,348</u>	<u>493,273</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	177,955	180,000
Company pension contributions to defined contribution schemes	1,761	1,761
	<u>179,716</u>	<u>181,761</u>

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	311,184	120,814
Other interest income	-	37
Total income	<u>311,184</u>	<u>120,851</u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

8 Interest receivable and similar income	(Continued)	
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	311,184	120,814
	<u> </u>	<u> </u>
9 Interest payable and similar expenses	2023	2022
	£	£
Other finance costs:		
Other interest	-	40
	<u> </u>	<u> </u>
10 Taxation	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	(388,600)	(470,565)
Adjustments in respect of prior periods	-	270
	<u> </u>	<u> </u>
Total UK current tax	(388,600)	(470,295)
Foreign current tax on profits for the current period	41,676	33,574
	<u> </u>	<u> </u>
Total current tax	(346,924)	(436,721)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(6,710)	(9,143)
	<u> </u>	<u> </u>
Total tax credit	(353,634)	(445,864)
	<u> </u>	<u> </u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before taxation	(7,004,948)	(8,648,133)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)</i>	(1,330,940)	(1,643,145)
Tax effect of expenses that are not deductible in determining taxable profit	66,274	31,978
Unutilised tax losses carried forward	1,264,666	1,693,736
Research and development tax credit	(388,600)	(469,133)
Tax relief on share options	-	(50,127)
Deferred tax	(6,710)	(9,173)
Foreign taxation	41,676	-
Taxation credit	(353,634)	(445,864)

11 Intangible fixed assets

Group	Website development £
Cost	
At 1 January 2023 and 31 December 2023	9,500
Amortisation and impairment	
At 1 January 2023 and 31 December 2023	9,500
Carrying amount	
At 31 December 2023	-
At 31 December 2022	-
Company	
Cost	
At 1 January 2023 and 31 December 2023	9,500
Amortisation and impairment	
At 1 January 2023 and 31 December 2023	9,500

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

11 Intangible fixed assets (Continued)

Carrying amount	
At 31 December 2023	-
At 31 December 2022	-

12 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	27,883	221,741	249,624
Additions	2,116	-	2,116
Disposals	-	(75,356)	(75,356)
Exchange adjustments	-	(1,156)	(1,156)
At 31 December 2023	<u>29,999</u>	<u>145,229</u>	<u>175,228</u>
Depreciation and impairment			
At 1 January 2023	14,878	149,817	164,695
Depreciation charged in the year	4,844	33,874	38,718
Eliminated in respect of disposals	-	(62,863)	(62,863)
Exchange adjustments	-	(754)	(754)
At 31 December 2023	<u>19,722</u>	<u>120,074</u>	<u>139,796</u>
Carrying amount			
At 31 December 2023	<u>10,277</u>	<u>25,155</u>	<u>35,432</u>
At 31 December 2022	<u>13,005</u>	<u>71,924</u>	<u>84,929</u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

12 Tangible fixed assets (Continued)

Company	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	27,883	190,957	218,840
Additions	2,116	-	2,116
Disposals	-	(75,356)	(75,356)
At 31 December 2023	<u>29,999</u>	<u>115,601</u>	<u>145,600</u>
Depreciation and impairment			
At 1 January 2023	14,878	130,225	145,103
Depreciation charged in the year	4,844	27,533	32,377
Eliminated in respect of disposals	-	(62,863)	(62,863)
At 31 December 2023	<u>19,722</u>	<u>94,895</u>	<u>114,617</u>
Carrying amount			
At 31 December 2023	<u>10,277</u>	<u>20,706</u>	<u>30,983</u>
At 31 December 2022	<u>13,005</u>	<u>60,732</u>	<u>73,737</u>

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	-	57,063

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2023	57,063
Additions	6
	<hr/>
At 31 December 2023	57,069
	<hr/>
Impairment	
At 1 January 2023	-
Impairment losses	57,069
	<hr/>
At 31 December 2023	57,069
	<hr/>
Carrying amount	
At 31 December 2023	-
	<hr/> <hr/>
At 31 December 2022	57,063
	<hr/> <hr/>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Tyk Technologies Inc	United States of America	Ordinary	100.00
Tyk Technologies Pte Ltd	Singapore	Ordinary	100.00
Tyk Technologies Canada Incorporated	Canada	Ordinary	100.00

15 Debtors

	Group 2023	2022	Company 2023	2022
Amounts falling due within one year:	£	£	£	£
Trade debtors	750,066	1,026,689	453,563	680,850
Corporation tax recoverable	857,732	484,391	857,732	469,133
Amounts owed by group undertakings	-	-	2,023	1,987,362
Other debtors	94,416	143,716	79,694	137,855
Prepayments and accrued income	603,266	627,700	590,022	611,984
	<hr/>	<hr/>	<hr/>	<hr/>
	2,305,480	2,282,496	1,983,034	3,887,184
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

16 Creditors: amounts falling due within one year

	Group 2023	2022 restated	Company 2023	2022 restated
Notes	£	£	£	£
Trade creditors	233,136	106,739	223,325	93,154
Other taxation and social security	147,957	167,519	133,754	142,584
Deferred income	4,665,875	4,200,822	1,966,199	2,210,255
Other creditors	47,651	33,249	29,617	25,529
Accruals and deferred income	411,408	300,633	291,840	205,026
	<u>5,506,027</u>	<u>4,808,962</u>	<u>2,644,735</u>	<u>2,676,548</u>

17 Creditors: amounts falling due after more than one year

	Group 2023	2022 restated	Company 2023	2022 restated
Notes	£	£	£	£
Deferred income	2,343,927	1,630,703	1,244,666	915,857
	<u>2,343,927</u>	<u>1,630,703</u>	<u>1,244,666</u>	<u>915,857</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	5,889	12,599
	<u>5,889</u>	<u>12,599</u>
Company	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	5,889	12,599
	<u>5,889</u>	<u>12,599</u>

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

18 Deferred taxation	(Continued)	
	Group 2023	Company 2023
	£	£
Movements in the year:		
Liability at 1 January 2023	12,599	12,599
Credit to profit or loss	(6,710)	(6,710)
	<u>5,889</u>	<u>5,889</u>
Liability at 31 December 2023	<u>5,889</u>	<u>5,889</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	164,592	146,187
	<u>164,592</u>	<u>146,187</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share-based payment transactions

A staff share option scheme is in place. This is an equity settled scheme that is available to all staff members via an EMI scheme for employees or an unapproved option scheme for contractors. The majority of staff options are exercisable upon exit only, but some vest over a specified period of time.

Group and company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 January 2023	15,679	16,252	20.25	5.58
Granted	4,392	3,275	92.30	79.67
Forfeited	(525)	(2,865)	37.11	10.31
Exercised	-	(983)	-	0.73
	<u>19,546</u>	<u>15,679</u>	<u>36.26</u>	<u>20.25</u>
Outstanding at 31 December 2023	<u>19,546</u>	<u>15,679</u>	<u>36.26</u>	<u>20.25</u>
	<u>3,252</u>	<u>2,589</u>	<u>18.71</u>	<u>24.02</u>
Exercisable at 31 December 2023	<u>3,252</u>	<u>2,589</u>	<u>18.71</u>	<u>24.02</u>

The options outstanding at 31 December 2023 had an exercise price ranging from 0.73 to 92.31, and a remaining contractual life of 0 to 4 years.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

20 Share-based payment transactions

(Continued)

Group and company

The fair value of the options granted in the year has been determined by reference to the HMRC approved valuation for the EMI option scheme.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	174,800	158,344	154,794	158,344
	<u>174,800</u>	<u>158,344</u>	<u>154,794</u>	<u>158,344</u>

21 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Group and company				
Ordinary share capital				
Issued and fully paid				
B Preferred shares of 0.1p each	64,536	64,536	65	65
Growth shares of 0.1p each	1,166	1,166	1	1
Ordinary shares of 0.1p each	131,895	131,797	132	132
Series A shares of 0.1p each	52,105	52,105	52	52
	<u>249,702</u>	<u>249,604</u>	<u>250</u>	<u>250</u>

During the year, the following transactions occurred:

* 98 Ordinary shares were allotted for cash.

The shares were issued in the year for consideration of £0.73 per share.

In May 2024 27 Ordinary shares were issued for total consideration of £92.31. Also in May 2024, 50 Ordinary shares were issued for total consideration of £5.77.

All shares rank pari passu, with the following exceptions:

The rights of the Growth shares to participate in a return of capital on liquidation or sale of the company are restricted such that the Growth shares would only participate in the return of capital or sale proceeds once the agreed Growth share hurdle is achieved.

B preferred shares have full voting and dividend rights, along with a priority capital distribution. The shares are not redeemable.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

22 Reserves

Warrant Reserve

On 11 July 2023 the Company entered into a loan facility where a maximum of 984 warrants over B preferred shares can be issued to the lender over the term of the facility at an exercise price per share of £384.61. 487 warrants were issued when the loan facility was agreed and, under the terms of the agreement, the remaining warrants are issued in tranches relating to the amount of any drawdown by the Company on the loan facility. These warrants have been recorded as equity in the warrant reserve at their fair value and are exercisable for 10 years from the date of issue.

23 Financial commitments, guarantees and contingent liabilities

There is a fixed and floating charge registered and held over all property of the UK company in respect of a loan facility made available in the financial year but which has not been utilised as at 31 December 2023.

A contingent liability exists in respect of a bonus payable to a director based on a future valuation of the company. The bonus is set as a percentage of any future exit valuation subject to varying ratchets. At the balance sheet date, the amount and timing of the bonus is uncertain.

24 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	56,728	97,248	56,728	97,248
Between two and five years	-	56,728	-	56,728
	<u>56,728</u>	<u>153,976</u>	<u>56,728</u>	<u>153,976</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>1,693,482</u>	<u>1,169,894</u>

Other information

The parent company has taken exemption from disclosing related party transactions and balances with wholly owned group entities.

Tyk Technologies Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

26 Controlling party

There is no single controlling party.

27 Cash absorbed by group operations

	2023	2022
	£	as restated £
Loss for the year after tax	(6,651,314)	(8,202,269)
Adjustments for:		
Taxation credited	(353,634)	(445,864)
Finance costs	187,305	40
Investment income	(311,184)	(120,851)
Loss on disposal of tangible fixed assets	5,979	2,170
Depreciation and impairment of tangible fixed assets	38,718	57,963
Equity settled share based payment expense	174,800	158,344
Movements in working capital:		
Decrease/(increase) in debtors	350,357	(605,020)
Increase in creditors	232,012	111,605
Increase in deferred income	1,178,277	1,013,662
Cash absorbed by operations	<u>(5,148,684)</u>	<u>(8,030,220)</u>

28 Analysis of changes in net funds - group

	1 January 2023	Cash flows	Exchange rate	31 December
	£	£	£	2023
				£
Cash at bank and in hand	13,868,479	(4,859,447)	79,535	9,088,567
	<u>13,868,479</u>	<u>(4,859,447)</u>	<u>79,535</u>	<u>9,088,567</u>

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