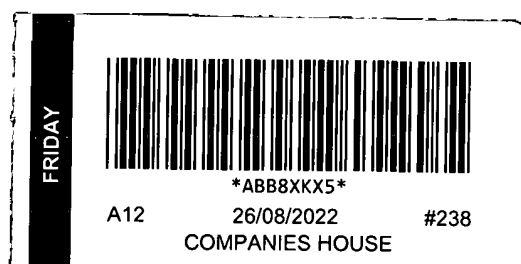


Registered number: 03059485

URBAN SCIENCE INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



URBAN SCIENCE INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	James Anderson Paul Dillamore Philip Giroux
Company secretary	Rene Hanseemann
Registered number	03059485
Registered office	The Blade, 12th Floor Abbey Square Reading RG1 3BE
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor One Valpy 20 Valpy Street Reading Berkshire RG1 1AR

URBAN SCIENCE INTERNATIONAL LIMITED

CONTENTS

	Page
Directors' Report	1 - 3
Independent Auditor's Report	4 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Notes to the Financial Statements	11 - 20

URBAN SCIENCE INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company during the year was the provision of market data analysis services through computer decision support systems and consultancy.

Business review

As a European Urban Science team the Company will continue to focus on more centralised European deals with the Company clients.

This year Urban Science have been invited to participate in a number of Requests for Quotation (RFQs) across the Company major European offices, including the UK entity. The Company is optimistic of positive outcomes in a number of these which will strengthen the Company long-term relationships and create further revenue opportunities with these clients.

The UK automotive sector has been in a cautious mood since the pandemic and throughout the chip shortage situation. Naturally, this has had a knock-on effect to the Company as the vast majority of our business comes through this sector.

However, the UK entity secured new contracts this year with some new entrants to the market. The Company is happy to be starting relationships early with potentially important players of the future. The Company has also secured a new 3 year contract with a premium manufacturer which positions us very well for future successes in the business management solution area.

The UK entity employs staff who form the majority part of centralised European support and delivery teams.

The Company is a wholly owned subsidiary of Urban Science International Inc. (USI Inc). As such, the Company is reliant upon USI Inc for ongoing support and therefore for its going concern basis.

The directors of the Company have considered the impact of this on the business and are assured that the parent Company is a going concern and have a letter of support to confirm this.

Results and dividends

The loss for the year, after taxation, amounted to £198,627 (2020: loss £69,159).

No dividends were declared in 2021 (2020: £Nil).

Directors

The directors who served during the year were:

James Anderson
Paul Dillamore
Philip Giroux

URBAN SCIENCE INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

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

Disclosure of information to auditor

The directors confirm that:

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

Auditor

Under section 487(2) of Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

URBAN SCIENCE INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18/7/2022 and signed on its behalf.

Philip Giroux

Philip Giroux
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN SCIENCE INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Urban Science International Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN SCIENCE INTERNATIONAL
LIMITED (CONTINUED)**

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN SCIENCE INTERNATIONAL LIMITED (CONTINUED)

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN SCIENCE INTERNATIONAL LIMITED (CONTINUED)

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management and those charged with governance, the Company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated our enquiries through our review of board minutes
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- In addition, we concluded that there are certain regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental matters, data protection, and bribery and corruption practices.
- We communicated relevant laws and regulations and potential fraud risks to engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that impacted profit
 - potential management bias in determining accounting estimates
- Our audit procedures involved:
 - journal entry testing, with a focus on profit impacting journals
 - challenging assumptions and judgements made by management in its significant accounting estimates;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN SCIENCE INTERNATIONAL
LIMITED (CONTINUED)**

- In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual Report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

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

Grant Thornton UK LLP

Steven Cenci FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 19/7/2022

URBAN SCIENCE INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
Turnover	3	3,550,538	4,307,694
Cost of sales		(3,208,769)	(3,938,617)
Gross profit		341,769	369,077
Administrative expenses		(547,303)	(582,339)
Operating loss	4	(205,534)	(213,262)
Interest receivable and similar income		7,385	-
Interest payable and similar expenses		(478)	-
Loss before tax		(198,627)	(213,262)
Tax on loss		-	144,103
Loss for the financial year		(198,627)	(69,159)
Other comprehensive income for the year			
Total comprehensive income for the year		(198,627)	(69,159)

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 11 to 20 form part of these financial statements.

All operations are continuing.

URBAN SCIENCE INTERNATIONAL LIMITED
REGISTERED NUMBER:03059485

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021 £	As restated 2020 £
Fixed assets			
Tangible assets	8	245,995	123,738
		<u>245,995</u>	<u>123,738</u>
Current assets			
Debtors: amounts falling due within one year	9	6,884,540	6,419,793
Cash at bank and in hand	10	1,872,958	1,915,554
		<u>8,757,498</u>	<u>8,335,347</u>
Creditors: amounts falling due within one year	11	(1,606,160)	(863,125)
Net current assets		<u>7,151,338</u>	<u>7,472,222</u>
Total assets less current liabilities		<u>7,397,333</u>	<u>7,595,960</u>
Net assets		<u><u>7,397,333</u></u>	<u><u>7,595,960</u></u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Share premium account	12	365,651	365,651
Profit and loss account	12	7,021,682	7,220,309
		<u>7,397,333</u>	<u>7,595,960</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Philip Giroux

Philip Giroux
 Director

Date: 18/7/2022

The notes on pages 11 to 20 form part of these financial statements.

URBAN SCIENCE INTERNATIONAL LIMITED

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

1. General information

Urban Science International Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at The Blade, 12th Floor, Abbey Square, Reading, RG1 3BE.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is a wholly owned subsidiary of Urban Science International Inc. (USI Inc). As such, the Company is reliant upon USI Inc for ongoing support and therefore for its going concern basis.

The directors of the Company have considered the impact of this on the business and are assured that the parent company is a going concern and have a letter of support to confirm this.

The Company does not believe that COVID-19 has had a significant impact to its going concern basis conclusion.

2.3 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

URBAN SCIENCE INTERNATIONAL LIMITED

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

2. Accounting policies (continued)**2.4 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.5 Goodwill

Goodwill is measured at cost being amounts due to be paid based on expected levels of future revenues received as a result of the acquisition. The goodwill is being amortised on a straight line basis over 10 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

URBAN SCIENCE INTERNATIONAL LIMITED

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Short-term leasehold property	- on a straight line basis over the period of the lease
Fixtures and fittings	- 10% - 50% per annum on a straight line basis
Computer equipment	- 25% - 50% per annum on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.8 Impairment of fixed assets and goodwill

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

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

URBAN SCIENCE INTERNATIONAL LIMITED

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

2. Accounting policies (continued)**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

URBAN SCIENCE INTERNATIONAL LIMITED

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

2. Accounting policies (continued)**2.13 Foreign currency translation**

The Company's functional and presentational currency is GBP.

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

3. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,173,553	2,932,969
Rest of Europe	1,085,326	1,156,023
Rest of the world	291,659	218,702
	<u>3,550,538</u>	<u>4,307,694</u>

URBAN SCIENCE INTERNATIONAL LIMITED

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

4. Operating loss

The operating (loss)/profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	106,967	153,925
Amortisation of intangible assets, including goodwill	-	41,476
Exchange differences	(34,134)	(34,574)
Other operating lease rentals	275,694	285,129
	<u>275,694</u>	<u>285,129</u>

5. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £41,921 (2020: 38,750).

Fees payable to the Company's auditor for assistance in the preparation of the Company's statutory financial statements totalled £1,906 (2020: £1,750).

6. Employees

	2021 £	2020 £
Wages and salaries	1,626,858	1,922,206
Social security costs	182,070	196,121
Cost of defined contribution scheme	82,992	90,888
	<u>1,891,920</u>	<u>2,209,215</u>

The average monthly number of employees, including directors, during the year was 33 (2020: 36).

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	170,911	158,298
	<u>170,911</u>	<u>158,298</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

There is 1 director for whom retirement benefits are accruing under money purchase pension schemes in 2021 (2020: 1). The pension contributions paid during the year were £12,227 (2020: £8,852).

URBAN SCIENCE INTERNATIONAL LIMITED

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

8. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment & software £	Total £
Cost or valuation				
At 1 January 2021	305,546	454,470	1,082,673	1,842,689
Additions	-	-	225,793	225,793
Disposals	-	-	(6,249)	(6,249)
Other movement	-	-	27,558	27,558
At 31 December 2021	305,546	454,470	1,329,775	2,089,791
Depreciation				
At 1 January 2021	288,884	445,122	984,945	1,718,951
Charge for the year on owned assets	15,448	8,150	83,369	106,967
Disposals	-	-	(347)	(347)
Other movement	-	-	18,225	18,225
At 31 December 2021	304,332	453,272	1,086,192	1,843,796
Net book value				
At 31 December 2021	1,214	1,198	243,583	245,995
At 31 December 2020	16,662	9,348	97,728	123,738

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	1,214	16,662

URBAN SCIENCE INTERNATIONAL LIMITED

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

9. Debtors

	2021	2020
	£	£
Trade debtors	629,484	784,424
Amounts owed by group undertakings	5,847,652	5,052,065
Other debtors	33,916	205,982
Prepayments and accrued income	368,801	372,635
Deferred taxation	4,687	4,687
	6,884,540	6,419,793

An impairment loss of £Nil (2020: £Nil) was recognised against trade debtors.

10. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	1,872,958	1,915,554

11. Creditors: Amounts falling due within one year

	2021	<i>As restated</i> 2020
	£	£
Payments received on account	21,752	45,663
Trade creditors	367,001	24,943
Amounts owed to group undertakings	839,699	476,910
Other taxation and social security	74,418	121,151
Other creditors	186,120	34,700
Accruals and deferred income	117,170	159,758
	1,606,160	863,125

URBAN SCIENCE INTERNATIONAL LIMITED

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

12. Reserves**Called up share capital**

This represents the nominal value that have been issued.

Share premium

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

Profit & loss account

This includes all current and prior period retained profits and losses.

13. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
10,000 (2020: 10,000) Ordinary shares of £1 each	10,000	10,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayments of capital.

14. Capital commitments

The Company has no capital commitments at 31 December 2021 or 31 December 2020.

15. Pension commitments

The Company operates a group personal pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £82,992 (2020: £90,889).

16. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	229,006	211,657
Later than 1 year and not later than 5 years	-	229,006
	229,006	440,663

URBAN SCIENCE INTERNATIONAL LIMITED

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

17. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standards which exempts wholly owned subsidiary undertakings from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties.

18. Prior period adjustment

During 2021 the Company discovered an error in the financial statements relating to the prior year. Management identified a select few accruals were recognised incorrectly as the expenses to which the accruals related had already been incurred and settled. Accordingly, the liability was not correct be recognised at the year end. This has been corrected by restating each of the affected financial statement line items for prior periods. The impact on the Company's financial statements is summarised in the tables below.

For the year ended 31 December 2020	As previously reported	Adjustments	As restated
Statement of Comprehensive Income			
Administrative Expenses	(727,898)	145,559	(582,339)
Statement of Financial Position			
Creditors: amounts falling due within one year			
Accruals and deferred income	305,317	(145,559)	159,758

19. Controlling party

The directors regard Urban Science Holdings Inc., a company incorporated in the United States of America, as the ultimate parent undertaking. Urban Science Holdings Inc., is the parent of both the smallest and largest groups of which the Company is a member.

The ultimate controlling party is James Anderson, a director of the Company.

Urban Science Holdings Inc. prepares group financial statements and copies can be obtained from 400 Renaissance Centre, Suite 2900, Detroit, Michigan 48243, USA.