

Company Registration No. 05673888 (England and Wales)

METASPHERE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR



METASPHERE LIMITED

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METASPHERE LIMITED

BALANCE SHEET

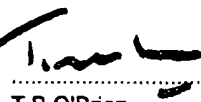
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	8 month period 2019 £	£
Fixed assets					
Tangible assets	3		21,329		31,949
Investments	4		2,078		2,078
			<u>23,407</u>		<u>34,027</u>
Current assets					
Stocks		501,692		609,930	
Debtors	5	3,693,895		1,759,596	
Cash at bank and in hand		447,734		977,319	
		<u>4,643,321</u>		<u>3,346,845</u>	
Creditors: amounts falling due within one year	6	<u>(2,941,726)</u>		<u>(1,357,035)</u>	
Net current assets			<u>1,701,595</u>		<u>1,989,810</u>
Total assets less current liabilities			<u>1,725,002</u>		<u>2,023,837</u>
Capital and reserves					
Called up share capital	7		3,080,219		3,080,219
Share premium account			1,857,335		1,857,335
Capital redemption reserve			118,490		118,490
Profit and loss reserves			<u>(3,331,042)</u>		<u>(3,032,207)</u>
Total equity			<u>1,725,002</u>		<u>2,023,837</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 2 July 2021 and are signed on its behalf by:


T B O'Brien
Director

Company Registration No. 05673888

METASPHERE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2019	3,080,219	1,857,335	118,490	(2,769,911)	2,286,133
Period ended 31 December 2019:					
Loss and total comprehensive income for the period	-	-	-	(262,296)	(262,296)
Balance at 31 December 2019	3,080,219	1,857,335	118,490	(3,032,207)	2,023,837
Year ended 31 December 2020:					
Loss and total comprehensive income for the year	-	-	-	(298,835)	(298,835)
Balance at 31 December 2020	<u>3,080,219</u>	<u>1,857,335</u>	<u>118,490</u>	<u>(3,331,042)</u>	<u>1,725,002</u>

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Metasphere Limited is a private company limited by shares incorporated in England and Wales. The registered office is Millfield, Dorking Road, Tadworth, Surrey, United Kingdom, KT20 7TD.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the balance sheet date the company had a cash balance of £447,734 (2019 - £977,319) and net current assets of £1,701,595 (2019 - £1,989,810).

The company continues to invest in the fast growing IoT market and made operating losses during the period of £332,896 (2019 - £282,474). The company will continue to be loss making in the short-term, however, the Board believes the forecasts demonstrate that available cash and additional funding are more than sufficient for the company to meet its liabilities as they fall due.

The accounts are approved during a period when there is continued uncertainty as a result of the emergence and international spread of COVID-19. The company's response has been to implement contingency plans and manage its cash and cost bases under these circumstances. The board continues to monitor the situation as it develops, however, so far, the effect on the company has been minimal.

1.3 Reporting period

The previous annual financial statements are presented for the 8 month period to 31 December 2019. The accounting reference date was amended to be in line with that of the investor. As a result the comparative amounts and related notes are not entirely comparable.

1.4 Turnover

Turnover represents sale of goods and services to customers at invoiced amounts less value added tax or local tax on sales. Revenue is recognised as follows:

- for product sales, on despatch of goods
- for project costs, on a percentage completion basis
- for support contracts, over the term of the contract on a straight line basis
- for other support services, as and when the services is provided

1.5 Research and development expenditure

Expenditure on pure and applied research is charged to the Income Statement in the year in which it is incurred. Development costs are also charged to the Income Statement in the year of expenditure.

1.6 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.

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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:

Office Equipment	33% on cost
Computer Equipment	33% on cost

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

1.7 Fixed asset investments

Investments are recognised initially at fair value, which is normally the transaction price. Subsequently, they are measured at fair value through the Income Statement, except for those 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.

If a reliable measure of fair value is no longer available, the investment's fair value on the last date the investment was reliably measurable is treated as the cost of the investment.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

1.11 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.12 Equity Instruments

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

1.13 Taxation

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

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.14 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.

1.15 Retirement benefits

Contributions to the company's defined contribution pension scheme are charged to the Income Statement in the year in which they become payable.

1.16 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 29 (2019 - 29).

	2020 Number	8 month period 2019 Number
Total	29	29

3 Tangible fixed assets

	Office Equipment £	Computer Equipment £	Total £
Cost			
At 1 January 2020	51,499	98,075	149,574
Additions	6,356	5,137	11,493
At 31 December 2020	57,855	103,212	161,067
Depreciation and impairment			
At 1 January 2020	38,220	79,405	117,625
Depreciation charged in the year	9,637	12,476	22,113
At 31 December 2020	47,857	91,881	139,738
Carrying amount			
At 31 December 2020	9,998	11,331	21,329
At 31 December 2019	13,279	18,670	31,949

4 Fixed asset investments

	2020 £	8 month period 2019 £
Shares in group undertakings and participating interests	2,078	2,078

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 & 31 December 2020	2,078
Carrying amount	
At 31 December 2020	2,078
At 31 December 2019	2,078

5 Debtors

	2020 £	8 month period 2019 £
Amounts falling due within one year:		
Trade debtors	1,626,737	482,494
Corporation tax recoverable	33,803	43,258
Amounts owed by group undertakings	1,440,248	1,020,194
Other debtors	593,107	213,650
	<u>3,693,895</u>	<u>1,759,596</u>

6 Creditors: amounts falling due within one year

	2020 £	8 month period 2019 £
Trade creditors	1,166,922	449,371
Taxation and social security	330,275	83,617
Other creditors	1,444,529	824,047
	<u>2,941,726</u>	<u>1,357,035</u>

7 Called up share capital

	2020 Number	8 month period 2019 Number	2020 £	8 month period 2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of 10p each	<u>30,802,185</u>	<u>30,802,185</u>	<u>3,080,219</u>	<u>3,080,219</u>

METASPHERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Called up share capital

(Continued)

8 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Robert Southey.
The auditor was Azets Audit Services.

9 Operating lease commitments

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

	8 month period
2020	2019
£	£
280,583	-

10 Related party transactions

During the year, the company also paid £47,245 (2019 - £38,037) to the current parent company, in respect of management recharges.