

METHODS ANALYTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

PAGES FOR FILING WITH THE REGISTRAR



METHODS ANALYTICS LIMITED

COMPANY INFORMATION

Directors	Peter Rowlinson Mark Thompson Simon Swift Mark Hewitt	(Appointed 20 June 2019)
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Company Number	08698156
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Registered Office	16 St Martin's Le Grand London EC1A 4EN
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Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
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Business Address	16 St Martin's Le Grand London EC1A 4EN
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METHODS ANALYTICS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2019

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METHODS ANALYTICS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

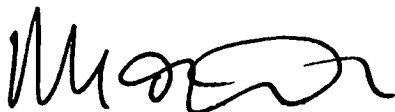
	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	5	14,000	271,900
Tangible assets	6	-	-
Current assets			
Debtors	6	1,967,856	1,316,237
Cash at bank and in hand		<u>1,967,856</u>	<u>1,316,237</u>
Creditors: amounts falling due within one year	8	<u>(1,883,340)</u>	<u>(1,840,713)</u>
Net current assets / (liabilities)		84,516	(524,476)
Total assets less current liabilities		<u>98,516</u>	<u>(252,576)</u>
Deferred tax liability	8	(2,660)	(43,302)
Net assets / (liabilities)		<u>95,856</u>	<u>(295,878)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		95,756	(295,978)
Total equity		<u>95,856</u>	<u>(295,878)</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 in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 applying section 1A (small entities).

The financial statements were approved by the board of Directors and authorised for issue on

19 September 2019 and are signed on its behalf by:



Peter Rowlin
Director

Company Registration No. 08698156

METHODS ANALYTICS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 May 2017	100	(483,143)	(483,043)
Year ended 30 April 2018			
Profit and total comprehensive income for the year	-	187,165	187,165
Balance at 30 April 2018	100	(295,978)	(295,878)
Year ended 30 April 2019			
Profit and total comprehensive income for the year	-	391,734	391,734
Balance at 30 April 2019	100	95,756	95,856

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting Policies

Company Information

Methods Analytics Limited is a private company limited by shares incorporated in England and Wales. The registered office is 16 St Martin's Le Grand, London, EC1A 4EN.

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 the small companies regime. The disclosure requirements of section 1A (small entities) 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 have been applied consistently and are set out below.

1.2 Going Concern

The financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that preparing the financial statements on the ongoing concern basis is appropriate as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months after signing of these financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the year. The amount recognised is based on the billable value of time worked.

Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. If it is expected that there will be a loss on a contract as a whole, all of the loss is recognised as soon as it is foreseen.

Revenue from managed services or subscription income, where the customer is charged a fixed amount over a period of time, is recognised rateably over period for which the charge applies.

Revenue from the resale of third party goods, licences or services is recognised on the date of delivery to the customer of the goods, licence or services.

Revenue recognised but not yet invoiced to the client is recognised on the balance sheet as Accrued Income within Debtors.

Amounts invoiced to clients in advance of revenue being recognised, are recognised as Deferred Income within Creditors falling due within one year. The balance is released to the profit and loss account as service is delivered to the customer in line with the appropriate revenue recognition method.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.4 Other external charges

Other external charges comprise the cost of contractors and services outsourced to third party providers.

1.5 Other operating charges

Other operating charges comprise the costs incurred with third parties relating to operating the Company.

1.6 Intangible assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life not exceeding 10 years. All existing goodwill has been fully amortised in the accounts.

1.7 Intangible assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Capitalised development costs relate to the stethoscope product.

Amortisation 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:

Development Costs	Straight line over its useful life of 5 years ending 31 May 2019
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1.8 Tangible assets

Tangible assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 3 years
Fixtures, fittings and equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

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.

1.9 Impairment of tangible and intangible assets

At each reporting period end date, the Company reviews the carrying amounts of its intangible and 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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 and loans from group and connected companies, 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 receipts 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.

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the tax currently payable.

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.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.12 Taxation (continued)

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.

1.13 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.16 Share-based payments

The parent company participates in an equity-settled share based payments arrangement granted to certain employees of this company. Equity-settled share-based payments are measured at fair value at the date of grant using the Directors' valuation.

The Company's share based arrangement consists of options that may be exercised on a change of ownership, transfer of business or a listing but does not include a reorganisation. The cost of granting share options is recognised rateably through the profit and loss account from the date of grant up to the likely date of exercise of the options.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.16 Share-based payments (continued)

Where the performance of certain non-market conditions are required to be satisfied before the options can vest or be exercised, the Company estimates the fair value of the options to be nil if these conditions are not likely to arise in the near future. This estimate is revised at each financial year end.

Where the options vest on date of grant and the Company expects the options to be exercised within a short period of time, the Company calculates the cost of the grant using the intrinsic value of the underlying shares to be obtained on exercise as this is expected to amount to a reasonable approximation of the fair value of the options. 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.

The parent company has no cash-settled arrangements.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

2 Judgements and key sources of estimation uncertainty

In the application of the Company'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.

Loss making contracts

Where a contract is loss making the Company provides for the full loss of the contract once the loss has been identified and validated by management.

Accruals and provisions

Accruals are based on the best estimate of costs that are expected to be invoiced after the year end. These are based on management's knowledge of costs relating to the Company that have not yet been billed and invoices relating to the financial year that are received after the year end.

Recoverability of loans to companies under common control

The Company assesses the recoverability of loans to companies under common control based upon the current position and the expected future cashflows of those companies.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue is recognised based on the value of services delivered in a period. For time and materials engagements this is based on the billable value of time worked. For fixed price projects the Company recognises revenue based on the percentage completion of the contract. Percentage completion is calculated by dividing the total cost to date on the contract by the total estimated cost for the whole contract. Total estimated costs are based on management judgement and detailed project plans. The accounting policy for revenue is disclosed in note 1.3 of the financial statements and the turnover for the year is disclosed in note 3 of the financial statements.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

3 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was 37 (2018 - 35).

4 Auditors' remuneration

Fees payable to the Company's auditors for audit of the financial statements were £6,600 (2018: £6,600).

Fees payable to the Company's auditors for tax compliance were £7,000 (2018: included in figure above).

5 Intangible assets

	Goodwill £	Development Costs £	Total £
Cost			
At 1 May 2018 and 30 April 2019	1,215,316	1,564,434	2,779,750
Accumulated amortisation and impairment			
At 1 May 2018	1,215,316	1,292,534	2,507,850
Amortisation charged in the year	-	257,900	257,900
At 30 April 2019	1,215,316	1,550,434	2,765,750
Carrying amount			
At 30 April 2019	-	14,000	14,000
At 30 April 2018	-	271,900	271,900

6 Tangible assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 May 2018	38,618	2,578	41,197
Additions	-	-	-
At 30 April 2019	38,618	2,578	41,197
Depreciation and impairment			
At 1 May 2018	38,618	2,578	41,197
Depreciation charged in the year	-	-	-
At 30 April 2019	38,618	2,578	41,197
Carrying amount			
At 30 April 2019	-	-	-
At 30 April 2018	-	-	-

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

7 Debtors

	2019 £	2018 £
Amounts falling due within one year		
Trade debtors	1,087,927	662,452
Corporation tax receivable	-	99,847
Amounts due from connected companies	-	153,077
Other debtors	3,602	1,501
Prepayments and accrued income	871,696	322,228
	<u>1,963,225</u>	<u>1,239,105</u>
Deferred tax asset (note 8)	2,867	74,859
	<u>1,966,092</u>	<u>1,313,964</u>
Amounts falling due after more than one year		
Other debtors	<u>1,764</u>	<u>2,273</u>
Total debtors	<u>1,967,856</u>	<u>1,316,237</u>

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	39,146	30,794
Corporation tax payable	52,184	-
Other taxation and social security	549,011	272,049
Amounts due to connected companies	504,760	998,034
Other creditors	15,088	3,102
Accruals and deferred income	723,151	536,734
	<u>1,883,340</u>	<u>1,840,713</u>

Included within other creditors is £nil (2018: £nil) owed to RBS Invoice Finance Limited. This amount is secured by a fixed and floating charge over the assets of the Company.

Amounts due to connected companies are interest bearing at the Bank of England base rate plus 1.25% and repayable on demand.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

9 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Tax losses	-	-	-	74,859
Capital allowances	2,600	43,302		
Other timing differences			2,867	-
	<u>2,660</u>	<u>43,302</u>	<u>2,867</u>	<u>74,859</u>

10 Share-based payment transactions

During the year ended 30 April 2019, the parent company had one active equity-settled share-based payment arrangement in an Enterprise Management Incentive ("EMI") Scheme, which is detailed below. During the year end 30 April 2018 options in a share-based payment arrangement lapsed.

Grant date	10-Nov-17
Number granted	403,333
Contractual life	10
Average weighted exercise price	0.01
Options outstanding at 30 April 2019	398,333
Average contractual life at 30 April 2019	8.4

Vesting requirements: Options may be exercised on a change of ownership, transfer of business or a listing but does not include a reorganisation.

The weighted average exercise price of each share option granted is £0.01

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at start of period	408,333	267,560	0.01	1.54
Granted	-	408,333		0.01
Forfeited	(10,000)	(267,560)	(0.01)	(1.54)
Outstanding at end of period	<u>398,333</u>	<u>408,333</u>	<u>£0.01</u>	<u>£0.01</u>
Exercisable at 30 April 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Directors consider the fair value of the options at the grant date to be immaterial to the financial statements.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

11 Called up share capital

	2019 £	2018 £
Ordinary share capital issued and fully paid 10,000 (2018: 10,000) ordinary shares at 1p each	100	100

12 Financial commitments, guarantees and contingent liabilities

The Company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Company, whereby an unlimited cross guarantee is given for all liabilities to the bank of any kind whether incurred alone or jointly with another. At the year end, the overall liability of the Company and connected companies to the bank was £Nil (2018: £Nil).

The Company, its parent company and connected companies (through common ownership) are party to an invoice discounting facility with RBS Invoice Finance Limited, whereby an unlimited multi-party guarantee is given for all liabilities to RBS Invoice Finance Limited. At the year end, the overall liability of the Company, its parent company and connected companies to RBS Invoice Finance Limited was £Nil (2018: £Nil).

13 Operating lease commitments

At the reporting end date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £4,464 (2018: £5,492)

14 Parent company

The parent company at the balance sheet date was Methods Consulting (Analytics) Limited, a company incorporated in England and Wales.

The address of Methods Consulting (Analytics) Limited is 16 St. Martin's Le Grand, London, EC1A 4EN.

15 Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements 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 Stuart Macdougall
The auditor was PricewaterhouseCoopers LLP