

METHODS ANALYTICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020



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METHODS ANALYTICS LIMITED

COMPANY INFORMATION

Directors	Peter Rowlinson Mark Thompson Simon Swift Mark Hewitt Oliver Bailey Richard Oakley	(Appointed 24 March 2020) (Appointed 24 March 2020)
Company Number	08698156	
Registered Office	Saffron House 6-10 Kirby Street London EC1N 8TS	
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
Business Address	Saffron House 6-10 Kirby Street London EC1N 8TS	

METHODS ANALYTICS LIMITED

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METHODS ANALYTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The Directors present their Annual Report and audited financial statements for the year ended 30 April 2020.

Principal activities

The principal activity of the Company is the provision of analysis and interpretation services, primarily for the healthcare sector, but also other public and private sector clients.

Directors

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

Peter Rowllins
Mark Thompson
Simon Swift
Mark Hewitt
Oliver Bailey (appointed 24 March 2020).
Richard Oakley (appointed 24 March 2020)

Directors third party indemnity provision

A qualifying third party indemnity provision was in place for directors throughout the year and at the date of the approval of the financial statements.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

METHODS ANALYTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

Connected Companies

The company is connected through common shareholders to Methods Holdings Limited and its trading subsidiary Methods Business and Digital Technology Limited, and CoreAzure Limited. The companies co-operate closely. The companies also operate a cash pooling arrangement whereby all cash generated by the company is pooled in Methods Business and Digital Technology Limited. The £1.1m due from connected companies (note 6) represents cash generated by the company and pooled with Methods Business and Digital Technology Limited and is repayable on demand.

Covid-19 Pandemic

Due to the nature of our services, our focus on the public sector and our business systems, the Covid-19 pandemic has not caused any significant deterioration in the company's trading performance and liquidity. On lockdown in March 2020 our public sector customers were all encouraged by government to keep projects going and to pay their suppliers promptly. Our services were able to be delivered remotely and our back office seamlessly continued to function remotely without interruption, helped greatly by use of our cloud based internal business systems. The key impact has been greater uncertainty about future prospects, though contracts are still being won and revenue, margin and cash generation continues to remain steady at pre-pandemic levels.

Going Concern

The directors have assessed the company's ability to continue trading as a going concern for at least 12 months from the date of approving these financial statements, including considering the impact of Covid-19 and other relevant factors.

Initially the directors would note that the company has a strong balance sheet with strong net assets and net current assets. Furthermore, the company has no external debt, and is not bound by any external financial covenants.

As part of the directors' assessment base case, monthly profit and cash forecasts have been produced covering a period of at least 12 months from the date of signing these financial statements. In addition, the directors have stress tested these forecasts looking at different severe but plausible scenarios by applying sensitivities to revenue and cash collection. A similar process has been undertaken by all connected companies.

Under both the base case and severe but plausible stressed scenarios the company would still have sufficient liquidity and resources to continue trading, and meet its liabilities as they fall due, for at least 12 months from the date of these financial statements. The financial resilience of the company is greatly helped by the cash reserves it and its connected companies have accumulated over the last 18 months, the flexible nature of its cost base due to the number of contractors used to deliver services (allowing cost to immediately reduce as revenue reduces) and the high credit worthiness of its public sector customers.

As such, whilst the Covid-19 pandemic has increased uncertainty, the Directors have a reasonable expectation that the Company has adequate resources to continue trading, and meets its liabilities as they fall due, for at least 12 months from the date of signing these financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Independent Auditors

PricewaterhouseCoopers LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to independent auditors

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 Company's auditors are 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 Company's auditors are aware of that information.

METHODS ANALYTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Peter Rowlin
Director

21 October 2020

METHODS ANALYTICS LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METHODS ANALYTICS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Methods Analytics Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 April 2020; the Profit and Loss Account, the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

METHODS ANALYTICS LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 April 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

METHODS ANALYTICS LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

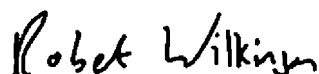
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Robert Wilkinson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
21 October 2020

METHODS ANALYTICS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2020**

	2020	2019
	£	£
Turnover	8,994,498	6,459,220
Other external charges	(3,720,475)	(2,752,192)
Staff costs	(2,975,747)	(2,104,766)
Depreciation and other amounts written off tangible and intangible assets	(14,000)	(257,900)
Other operating charges	(1,505,675)	(840,182)
Operating profit before share-based payments	778,601	504,180
Charge for share-based payments	9	-
Operating profit	771,510	504,180
Interest receivable and similar income	2,532	-
Interest payable and similar expenses	(20,792)	(28,999)
Profit before taxation	753,250	475,181
Taxation on profit	40,167	(83,447)
Profit for the financial year	793,417	391,734

The profit and loss account has been prepared on the basis that all operations are continuing operations. The Company has no other comprehensive income other than those included in the results above.

METHODS ANALYTICS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	4	-	14,000
Tangible assets	5	-	-
Current assets			
Debtors	6	2,158,251	1,967,856
Cash at bank and in hand		-	-
		<u>2,158,251</u>	<u>1,967,856</u>
Creditors: amounts falling due within one year	7	<u>(1,291,887)</u>	<u>(1,883,340)</u>
Net current assets		866,364	84,516
Total assets less current liabilities		<u>866,364</u>	<u>98,516</u>
Deferred tax liability	8	-	(2,660)
Net assets		<u><u>866,364</u></u>	<u><u>95,856</u></u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		866,264	95,756
Total equity		<u><u>866,364</u></u>	<u><u>95,856</u></u>

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 on pages 7 to 21 were approved by the board of Directors and authorised for issue on 21 October 2020 and are signed on its behalf by:



Peter Rowlinson
Director

Company Registration No. 08698156

METHODS ANALYTICS LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 May 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	<u>100</u>	<u>95,756</u>	<u>95,856</u>
Year ended 30 April 2020			
Profit and total comprehensive income for the year	-	793,417	793,417
Capital contribution from Methods Consulting (Analytics)	-		
Limited in relation to fair value of share options granted to employees		7,091	7,091
Dividends	-	(30,000)	(30,000)
Balance at 30 April 2020	<u><u>100</u></u>	<u><u>866,264</u></u>	<u><u>866,364</u></u>

METHODS ANALYTICS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	14		1,720,856		269,262
Interest paid			(20,792)		(28,999)
Income taxes (paid) / refunded			(41,369)		99,934
Net cash inflow from operating activities			<u>1,658,695</u>		<u>340,197</u>
Investing activities					
Interest received		2,532		-	
Net cash generated from investing activities		<u>2,532</u>		<u>-</u>	
Financing activities					
Increase in loans made to connected companies		(1,126,467)		-	
Repayment of loans from connected companies		(504,760)		(340,197)	
Dividends paid		(30,000)		-	
Net cash used in financing activities		<u>(1,661,227)</u>		<u>(340,197)</u>	
Net increase in cash and cash equivalents			<u>-</u>		<u>-</u>
Cash and cash equivalents at beginning of financial year			-		-
Cash and cash equivalents at end of financial year			<u><u>-</u></u>		<u><u>-</u></u>

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting Policies

Company Information

Methods Analytics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Saffron House, 6-10 Kirby Street, London, EC1N 8TS.

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" Section 1A, 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 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 have assessed the company's ability to continue trading as a going concern for at least 12 months from the date of approving these financial statements, including considering the impact of Covid-19 and other relevant factors.

Initially the directors would note that the company has a strong balance sheet with strong net assets and net current assets. Furthermore, the company has no external debt, and is not bound by any external financial covenants.

As part of the directors' assessment base case, monthly profit and cash forecasts have been produced covering a period of at least 12 months from the date of signing these financial statements. In addition, the directors have stress tested these forecasts looking at different severe but plausible scenarios by applying sensitivities to revenue and cash collection. A similar process has been undertaken by all connected companies.

Under both the base case and severe but plausible stressed scenarios the company would still have sufficient liquidity and resources to continue trading, and meet its liabilities as they fall due, for at least 12 months from the date of these financial statements. The financial resilience of the company is greatly helped by the cash reserves it and its connected companies have accumulated over the last 18 months, the flexible nature of its cost base due to the number of contractors used to deliver services (allowing cost to immediately reduce as revenue reduces) and the high credit worthiness of its public sector customers.

As such, whilst the Covid-19 pandemic has increased uncertainty, the Directors have a reasonable expectation that the Company has adequate resources to continue trading, and meets its liabilities as they fall due, for at least 12 months from the date of signing 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.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1.3 Turnover (continued)

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 failing 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.

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 2020
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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.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1.8 Tangible assets (continued)

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.

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.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1.10 Financial instruments (continued)

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.

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.

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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 ratably through the profit and loss account from the date of grant up to the likely date of exercise of the options.

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.

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.

2 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was 49 (2019 - 37).

3 Auditors' remuneration

Fees payable to the Company's auditors for

- audit of the financial statements: £6,250 (2019: £6,600).
- tax compliance: £4,500 (2019: £7,000).
- Other tax advice: £20,000 (2019: Nil)

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

4 Intangible assets

	Goodwill £	Development Costs £	Total £
Cost			
At 1 May 2019 and 30 April 2020	1,215,316	1,564,434	2,779,750
Accumulated amortisation and impairment			
At 1 May 2019	1,215,316	1,550,434	2,765,750
Amortisation charged in the year	-	14,000	14,000
At 30 April 2020	1,215,316	1,564,434	2,779,750
Carrying amount			
At 30 April 2020	-	-	-
At 30 April 2019	-	14,000	14,000

5 Tangible assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 May 2019	38,618	2,579	41,197
Additions	-	-	-
At 30 April 2020	38,618	2,579	41,197
Accumulated depreciation and impairment			
At 1 May 2019	38,618	2,579	41,197
Depreciation charged in the year	-	-	-
At 30 April 2020	38,618	2,579	41,197
Carrying amount			
At 30 April 2020	-	-	-
At 30 April 2019	-	-	-

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

6 Debtors

	2020 £	2019 £
Amounts falling due within one year		
Trade debtors	304,839	1,087,927
Corporation tax receivable	25,903	-
Amounts due from connected companies	1,126,467	-
Other debtors	32,536	3,602
Prepayments and accrued income	661,367	871,696
	<u>2,151,112</u>	<u>1,963,225</u>
Deferred tax asset (note 8)	3,656	2,867
	<u>2,154,768</u>	<u>1,966,092</u>
Amounts falling due after more than one year		
Other debtors	<u>3,483</u>	<u>1,764</u>
Total debtors	<u>2,158,251</u>	<u>1,967,856</u>

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

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	54,100	39,146
Corporation tax payable	-	52,184
Other taxation and social security	529,151	549,011
Amounts due to connected companies	-	504,760
Other creditors	19,242	15,088
Accruals and deferred income	689,394	723,151
	<u>1,291,887</u>	<u>1,883,340</u>

Included within other creditors is £nil (2019: £Nil) owed to RBS Invoice Finance Limited. This amount is secured by a fixed and floating charge over the assets of the Company.

Amounts 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 2020

8 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 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Capital allowances	-	2,660	-	-
Other timing differences	-	-	3,656	2,867
	<u>-</u>	<u>2,660</u>	<u>3,656</u>	<u>2,867</u>

9 Share-based payment transactions

During the year ended 30 April 2020, 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 2019 options in a share-based payment arrangement lapsed.

	10-Nov-17	02/05/2019	Total
Grant date	10-Nov-17	02/05/2019	
Number granted	408,333	10,000	418,333
Contractual life	10	10	10
Average weighted exercise price	£0.01	£0.08	£0.01
Options outstanding at 30 April 2020	398,333	10,000	408,333
Average contractual life at 30 April 2020	7.5	9.0	7.6

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	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at start of year	398,333	408,333	0.01	0.01
Granted	10,000	-	0.08	-
Forfeited	-	(10,000)	-	(0.01)
Outstanding at end of year	<u>408,333</u>	<u>398,333</u>	<u>0.01</u>	<u>0.01</u>
Exercisable at 30 April 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

9 Share-based payment transactions (continued)

The Directors consider the fair value of the options granted at 10 November 17 to be negligible and immaterial to the financial statements of the Company and Methods Consulting (Analytics) Limited and no charge is needed. Options granted on 2 May 2019 are material to Methods Consulting (Analytics) Limited and therefore a charge has been booked in the accounts.

The Company had share-based payment charge in the year of £7,091 (2019: £Nil),

The Company Profit and Loss Account includes £7,091 (2019: £Nil) in relation to share-based payments

10 Related party transactions

Transactions with related parties

During the year the Company entered into the following transactions with related parties:

	Rendering of services		Purchase of services	
	2020	2019	2020	2019
	£	£	£	£
Entities under common control				
Methods Business and Digital Technology Limited	41,013	264,482	975,203	1,197,090
CoreAzure Limited	47,975	750	26,324	4,701
	<u>88,988</u>	<u>265,232</u>	<u>1,001,527</u>	<u>1,201,791</u>

Management fees payable

	2020	2019
	£	£
Entities under common control		
Methods Business and Digital Technology Limited	354,046	260,556
	<u>354,046</u>	<u>260,556</u>

Amounts owed to related parties at the reporting date

	2020	2019
	£	£
Entities under common control		
Methods Business and Digital Technology Limited	-	504,760
	<u>-</u>	<u>504,760</u>

These balances are unsecured, interest bearing at 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 2020

10 Related party transactions (continued)

Amounts owed by related parties at the reporting date

	2020 £	2019 £
Entities under common control		
Methods Business and Digital Technology Limited	1,126,467	-
	<u>1,126,467</u>	<u>-</u>

These balances are unsecured, interest bearing at bank of England Base rate plus 1.25% and repayable on demand.

11 Called up share capital

	2020 £	2019 £
Ordinary share capital issued and fully paid		
10,000 (2019: 10,000) ordinary shares at 1p each	100	100
	<u>100</u>	<u>100</u>

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 (2019: £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 (2019: £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 £24,321 (2019: £4,464)

METHODS ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

14 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	793,417	391,734
Adjustments for:		
Taxation charged	(40,167)	83,447
Finance costs	20,792	28,999
Interest receivable	(2,532)	-
Depreciation and impairment of tangible fixed assets	14,000	257,900
Charge for share based payments	7,091	-
	792,601	762,080
Movements in working capital:		
Decrease / (Increase) in debtors	962,764	(976,535)
(Decrease) / Increase in creditors	(34,509)	483,717
Cash generated from operations	1,720,856	269,262

15 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 Saffron House, 6-10 Kirby Street, London, EC1N 8TS.