

Methods Analytics Limited

Annual Report and Financial Statements

For the year ended 30 April 2021

Company Registration No. 08698156 (England and Wales)

Methods Analytics Limited

Company Information

Directors	P Rowlin M Thompson S Swift M Hewitt O Bailey R Oakley
Company number	08698156
Registered office	Saffron House 6-10 Kirby Street London EC1N 8TS
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Methods Analytics Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 21

Methods Analytics Limited

Directors' Report

For the year ended 30 April 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

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:

P Rowlinson
M Thompson
S Swift
M Hewitt
O Bailey
R Oakley

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 (Continued)

For the year ended 30 April 2021

Covid-19 pandemic

Since the start of the pandemic in March 2020, there has been a continuing demand for our services. Due to the nature of our services, our focus on the public sector and our business systems, the Covid-19 pandemic has therefore not caused any significant deterioration in the company's trading performance and liquidity. We have been able to deliver projects to our customers remotely and our back office has continued to function remotely without interruption, helped greatly by use of our cloud based internal business systems.

Financial Performance

Included in the profit for the year is an accelerated share option charge. The expected exercise date of the share options was changed to 30 April 2022 due to discussions taking place with an external third party that would result in an exercisable event.

Going Concern

The financial statements have been prepared on a going concern basis under the historical cost convention.

The directors note that the company has a strong net asset balance sheet position with no external debt or external financial covenants.

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. As part of the directors' assessment a monthly forecast has been produced. In addition, the directors have stress tested these forecasts looking at different severe but plausible scenarios.

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 has 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.

Statement of disclosure to auditor

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

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

This report was approved by the board on and signed on its behalf by:

P Rowllins
Director
6 April 2022

Methods Analytics Limited

Independent Auditor's Report

To the Members of Methods Analytics Limited

Opinion

We have audited the financial statements of Methods Analytics Limited (the 'company') for the year ended 30 April 2021 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 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 30 April 2021 and of its profit 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

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

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

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

Other information

The 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.

Methods Analytics Limited

Independent Auditor's Report (Continued)

To the Members of Methods Analytics Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the following matters where 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 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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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

Methods Analytics Limited

Independent Auditor's Report (Continued)

To the Members of Methods Analytics Limited

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

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

Our approach was as follows:

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Methods Analytics Limited

Independent Auditor's Report (Continued)

To the Members of Methods Analytics Limited

Use of our report

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

Jamie Sherman (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

6 April 2022

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Methods Analytics Limited

Profit and loss account

For the year ended 30 April 2021

	Notes	2021 £	2020 £
Turnover		9,338,524	8,994,498
Other external expenses		(3,051,757)	(3,720,475)
Staff costs		(3,867,689)	(2,975,747)
Depreciation and other amounts written off tangible and intangible assets		-	(14,000)
Other operating expenses		(1,180,445)	(1,505,675)
Operating profit before share-based payments		1,238,633	778,601
Charge for share based payments	9	(343,646)	(7,091)
Operating profit		894,987	771,510
Interest receivable and similar income		33,044	2,532
Interest payable and similar expenses		(4)	(20,792)
Profit before taxation		928,027	753,250
Taxation	4	(25,890)	40,167
Profit for the financial year		902,137	793,417

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no items of other comprehensive income for either the year or the prior year, accordingly no statement of other comprehensive income has been presented.

Methods Analytics Limited

Balance Sheet

As at 30 April 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5		-		-
Tangible assets	6		-		-
Current assets					
Debtors	7	2,367,970		2,158,251	
Cash at bank and in hand		1,580,167		-	
		<u>3,948,137</u>		<u>2,158,251</u>	
Creditors: amounts falling due within one year	8	<u>(1,835,990)</u>		<u>(1,291,887)</u>	
Net current assets			<u>2,112,147</u>		<u>866,364</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss reserves			<u>2,112,047</u>		<u>866,264</u>
Total equity			<u>2,112,147</u>		<u>866,364</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 were approved by the board of directors and authorised for issue on 6 April 2022 and are signed on its behalf by:

P Rowlinson
Director

Company Registration No. 08698156

Methods Analytics Limited

Statement of Changes in Equity

For the year ended 30 April 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 May 2019		100	95,756	95,856
Year ended 30 April 2020:				
Profit and total comprehensive income for the year		-	793,417	793,417
Dividends		-	(30,000)	(30,000)
Capital contribution from Methods Consulting (Analytics) Limited in relation to fair value of share options granted to employees	9	-	7,091	7,091
Balance at 30 April 2020		100	866,264	866,364
Year ended 30 April 2021:				
Profit and total comprehensive income for the year		-	902,137	902,137
Capital contribution from Methods Consulting (Analytics) Limited in relation to fair value of share options granted to employees	9	-	343,646	343,646
Balance at 30 April 2021		100	2,112,047	2,112,147

Methods Analytics Limited

Statement of Cash Flows

For the year ended 30 April 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	15	1,615,587		1,720,856	
Interest paid		(4)		(20,792)	
Income taxes paid		(54,026)		(41,369)	
Net cash inflow from operating activities		1,561,557		1,658,695	
Investing activities					
Interest received		33,044		2,532	
Net cash generated from investing activities		33,044		2,532	
Financing activities					
Increase in loans made to connected companies		(64,334)		(1,126,467)	
Repayments of loans from connected companies		-		(504,760)	
Increase in loans with group companies		49,900		-	
Dividends paid		-		(30,000)	
Net cash used in financing activities		(14,434)		(1,661,227)	
Net increase in cash and cash equivalents		1,580,167		-	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		1,580,167		-	

Methods Analytics Limited

Notes to the Financial Statements

For the year ended 30 April 2021

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 Section 1A of 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 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 pound.

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

1.2 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. As part of the Directors' assessment a monthly forecast has been produced. In addition, the Directors have stress tested these forecasts looking at different severe but plausible scenarios.

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 has 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 is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

1 Accounting policies

(Continued)

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 the 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 the 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 fixed 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 financial statements.

1.7 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are then 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 5 years

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

1 Accounting policies

(Continued)

1.8 Tangible fixed assets

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

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

Plant and equipment	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 5 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 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 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.

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, 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 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.

1.11 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 sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The 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.

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 Share-based payments

The 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 control, 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, having first assumed a reasonable attrition rate through to the likely date of exercise.

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.

1.16 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 (Continued)

For the year ended 30 April 2021

2 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the company	8,250	6,250
For other services		
Taxation compliance services	-	4,500
Other taxation services	-	20,000
All other non-audit services	1,250	-
	1,250	24,500

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 60 (2020: 49).

4 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	105,866	15,707
Adjustments in respect of prior periods	(12,939)	(52,425)
Total current tax	92,927	(36,718)
Deferred tax		
Origination and reversal of timing differences	(67,037)	(3,449)
Total tax charge/(credit)	25,890	(40,167)

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

5 Intangible fixed assets

	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 May 2020 and 30 April 2021	1,215,316	1,564,434	2,779,750
Amortisation and impairment			
At 1 May 2020 and 30 April 2021	1,215,316	1,564,434	2,779,750
Carrying amount			
At 30 April 2021	-	-	-
At 30 April 2020	-	-	-

6 Tangible fixed assets

	Plant and equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 May 2020 and 30 April 2021	38,618	2,579	41,197
Depreciation and impairment			
At 1 May 2020 and 30 April 2021	38,618	2,579	41,197
Carrying amount			
At 30 April 2021	-	-	-
At 30 April 2020	-	-	-

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	207,096	304,839
Corporation tax recoverable	-	25,903
Amounts due from connected companies	1,190,801	1,126,467
Other debtors	-	32,536
Prepayments and accrued income	892,055	661,367
	<u>2,289,952</u>	<u>2,151,112</u>
Deferred tax asset	70,693	3,656
	<u>2,360,645</u>	<u>2,154,768</u>
Amounts falling due after more than one year:		
Other debtors	7,325	3,483
	<u>7,325</u>	<u>3,483</u>
Total debtors	<u>2,367,970</u>	<u>2,158,251</u>

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

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	55,096	54,100
Amounts due to group undertakings	49,900	-
Corporation tax	12,998	-
Other taxation and social security	779,775	529,151
Other creditors	21,334	19,242
Accruals and deferred income	916,887	689,394
	<u>1,835,990</u>	<u>1,291,887</u>

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

9 Share-based payment transactions

During the year ended 30 April 2021, the parent company had one active equity-settled share-based payment arrangement in an Enterprise Management Incentive ("EMI") Scheme and one other share-based payment arrangement which are detailed below.

Grant date	10/11/2017	02/05/2019	22/08/2020	24/08/2020	Total
Number granted	408,333	10,000	30,000	30,000	478,333
Contractual life	10	10	10	10	10
Average weighted exercise price	£0.01	£0.08	£0.56	£0.56	£0.14
Options outstanding at 30 April 2021	183,333	10,000	30,000	30,000	253,333
Average contractual life at 30 April 2021	6.5	8.0	9.3	9.3	7.2

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 May 2020	208,333	198,333	0.01	0.01
Granted	60,000	10,000	0.56	0.08
Forfeited	(15,000)	-	0.01	-
Outstanding at 30 April 2021	<u>253,333</u>	<u>208,333</u>	<u>0.14</u>	<u>0.01</u>
Exercisable at 30 April 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Under the terms of the scheme the options may only be exercised on a change of control, transfer of business or a listing. This does not include reorganisations. Options granted in 2021 vest based on EBITDA targets. In the event of a change of control, transfer of business or a listing, the board may in its absolute discretion determine whether the options granted in 2021 shall vest in full.

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 in 2020 and 2021 are material to Methods Consulting (Analytics) Limited and therefore a charge has been booked in the accounts.

The Black Scholes option pricing model has been used to calculate the fair value of options granted in the year of grant. The key inputs to the model have been calculated using equivalent quoted companies as a reference point. In calculating the total value of the options to be expensed, an expected attrition rate has been applied to the options outstanding through to the likely exercise date of the options. The total value of the options is amortised on a straight line basis from grant date through to the likely exercise date. Both the attrition rate and likely exercise date are reviewed each year.

The company had a share-based payment charge in the year of £343,646 (2020: £7,091).

The company Profit and Loss Account includes £350,737 (2020: £7,091) in relation to share-based payments

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

10 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of 1p each	100	100
	<u>100</u>	<u>100</u>

11 Financial commitments, guarantees and contingent liabilities

The company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Co, 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 (2020: £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 (2020: £nil).

12 Operating lease commitments

Lessee

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

2021 £	2020 £
6,080	24,321

13 Related party transactions

During the year the company rendered and purchased services of £319,563 (2020: £88,988) and £1,216,047 (2020: £1,001,527) respectively with companies under common control.

During the year the company was charged a management fee of £361,379 (2020: £354,046) from a company under common control.

At the year end the company was owed £1,190,801 (2020: £1,126,467) by companies under common control. These amounts are unsecured, interest bearing at Bank of England base rate plus 1.25% and repayable on demand.

14 Controlling party

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.

Methods Analytics Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2021

15 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	902,137	793,417
Adjustments for:		
Taxation charged/(credited)	25,890	(40,167)
Finance costs	4	20,792
Investment income	(33,044)	(2,532)
Amortisation and impairment of intangible assets	-	14,000
Charge for share based payments	343,646	7,091
Movements in working capital:		
(Increase)/decrease in debtors	(104,251)	962,764
Increase/(decrease) in creditors	481,205	(34,509)
Cash generated from operations	<u>1,615,587</u>	<u>1,720,856</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.