MQA Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 09123512

MQA Limited

Company Information

Directors	J R Stuart M J Jbara S D Jagoe A E Rupert
Company secretary	Reed Smith Corporate Services Limited
Registered number	09123512
Registered office	The Broadgate Tower Third Floor 20 Primrose Street London United Kingdom EC2A 2RS
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

MQA Limited

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MQA Limited

Group Strategic Report
For the Year Ended 31 December 2019

Introduction

The Directors present their Strategic Report together with the financial statements for the year ended 31 December 2019.

Business review

MQA Limited (MQA or 'the Company') was established to exploit intellectual property (IP) developed by Bob Stuart, Peter Craven and Malcolm Law: a team that began collaborating 40 years ago and has a collective 100 years of experience in high-quality music recording, coding, and playback.

The IP embodies a new approach to digital audio coding, based on recent advances in neuroscience and a new understanding the importance of avoiding the introduction of distortion in the time domain and providing methods to eliminate digital artefacts. The IP enables the originally generated audio – from the bit stream that is approved in the studio or created LIVE during a concert - to be authenticated and delivered to a listener. Further, MQA is backward compatible with existing formats which allows it to be played on billions of devices in the hands of consumers currently.

The business plan is driven by creating demand for MQA's technologies by the consumer end through favorable relationships with content creators and services. MQA provides tools that enable content creators, distributors, and broadcasters to produce, encode, and transmit content and licenses decoding and rendering technologies to the manufacturers of consumer electronics to ensure that content is experienced in its original quality with an assurance of provenance.

Key Drivers:

- MQA has established approximately 90 consumer product license agreements to-date.
- MQA has executed format licenses and equity deeds with all major music companies and the independent music trade group, Merlin – creating a natural, growing catalog of new music prepared using MQA's technology.
- Unique Enabler: MQA's technology efficiency supports smartphone playback of authenticated, master quality sound – making it possible for services to reach 100% of the music consumer base. Competitors use Adaptive Streaming and Progressive technologies which cannot provide the combination of data efficiency, assurance of provenance and quality of sound that MQA provides.

The key commercial activities in 2019 included:

Completion of approximately 20 new agreements including JVC Kenwood, Zorloo, EMM Labs, Woo Audio as well as multiple Shenzhen-based DAP and DAC companies.

These deals are harnessed through the increased demand for those products due to the growth in the subscriber based with MQA-capable music services.

Principal risks and uncertainties

- To activate MQA on a music service, the labels and services must agree on Terms for the improved service. MQA is not party to those agreements and is limited in its ability to accelerate the completion of those agreements.
- While 2019 saw new entrants in premium music streaming services, the majority of mainstream music fans remain unsure about the value proposition of premium audio. They are not yet aware of the difference the improvement can make in their enjoyment and have perceptions that it requires expensive new equipment.
- Perceptions regarding the eventual rollout of 5G has created confusion as to whether MQA's improved data efficiency will be required.
- Ongoing responsibility to achieve profitability within the time provided by available cash resources.

MQA's continued ability to expand acceptance and support from major copyright holders and music journalists, the expanding base of MQA-licensed playback consumer devices, and MQA's product roadmap give the board confidence that MQA is well positioned to succeed.

Future Development

MQA's business development will be driven by expansion of recorded music content availability and extensions of MQA's product technology. MQA within HD Video in 2019 validates our view that MQA within broadcast – pre-recorded and LIVE – is a viable and exciting opportunity. Live performances are an important area in the coming year. We continue to see growth in China due to our Alibaba partnership and expect to expand industry awareness within that key market. Finally, we are speaking with existing licensees and new targets looking for MQA to support their efforts in creating improved wireless audio quality over both Bluetooth and WIFI.

Intellectual Property

Although MQA Limited is principally a software company, the value of its core intellectual property ("IP") is not reflected in its Balance Sheet due to the nature of how it arose.

Prior to the formation of MQA as a company, the research and development underpinning the MQA software and patents was carried out by Meridian Audio Limited and a 3rd party engineering advisory firm. The IP held by Meridian (representing 66.7% of the value of all the MQA IP) was sold to Muse Holdings S.A.R.L ("Muse") for consideration of £13m. In turn, Muse subscribed for £15m in cash in the share capital upon incorporation of MQA Limited.

At the same time, Muse and the 3rd party engineering firm entered into an asset transfer agreement with MQA Limited under the terms of which the IP was transferred to the Company, at the earlier of certain revenue targets being hit, or 2 years. The total value of the IP, based on the amount paid by Muse to Meridian, was £20m at date of incorporation. The Company's Balance Sheet holds the IP at the consideration paid of nil, and the underlying value of the IP is not reflected on the Balance Sheet.

Subsequent expenditure on Development of IP through 2019 has been £7m. This expenditure is in direct support of MQA's IP portfolio, however it does not meet the criteria for capitalisation consistent with MQA's accounting practices and in accordance with UK GAAP.

Capital Raise

MQA completed a funding round in October 2019 and initiated an additional fundraise in Spring 2020. We have obtained commitments from investors in the 2020 raise for a total of £10m, exceeding the funds required to operate into 2022.

MQA management has shown it is able to manage costs responsibly and aligned with revenue development. We have confidence in the 2021 budget that is being developed.

Financial key performance indicators

The board consider the key performance indicators to include revenue and the cash flow of the group. In support of these, the board will:

- Remain focused on cash burn rate and reserves.
- Monitor development of hardware revenues as well as emerging service revenues in Live music rentals and recorded audio/video services.
- Support new product development and deployment of encoders and decoders in devices and services.

COVID-19 Impact within 2020

The global pandemic had a measurable, short-term impact on partner supply chains and consumer confidence in the first half of 2020. MQA has managed costs to offset shortfalls in revenue, resulting in a projected cash balance in line with the 2020 budget.

Revenues for the first half were 56% of budget. COVID-related impacts, particularly the shutdown in China, were the primary drivers of this negative variance.

Expense reductions compared to budget, in the first half, more than offset the revenue shortfall, driven largely by positive variances in marketing, event-related travel, ordinary business travel, and consultancy.

Revenues in Q3 reflect a significant recovery for our partners, resulting in MQA's best Q3 to-date. Early Q4 indicators provide confidence in full-year performance to be in line with the forecast provided at the end of Q2

This report was approved by the board on 17 December 2020 and signed on its behalf.

M J Jbara
Director

Directors' Report
For the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

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

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

Results and dividends

The loss for the year, after taxation, amounted to £4,170,371 (2018 - loss £4,548,552).

The Directors do not recommend payment of a dividend (2018: £Nil).

Directors

The Directors who served during the year were:

J R Stuart
M J Jbara
S D Jagoe
A E Rupert

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

Future developments

The Company's future developments are shown in the Strategic Report.

Going concern

Since the year end the global economy has been impacted by the recent COVID-19 pandemic and restrictions imposed by governments around the world to travel and working practices.

As set out on page 10 the Group made a total comprehensive loss in the year of £4,176,743 (2019: £4,601,788) but has net current assets of £4,462,124 (2019: £3,781,760). The Company made a loss in the year of £4,176,649 (2019: £5,311,456) but has net current assets of £4,391,682 (2019: £3,711,224).

The global pandemic had a measurable, short-term impact on partner supply chains and consumer confidence in the first half of 2020. MQA has managed costs to offset shortfalls in revenue, resulting in a projected cash balance in line with the 2020 budget.

Revenues for the first half were 56% of budget. COVID-related impacts, particularly the shutdown in China, were the primary drivers of this negative variance.

Expense reductions compared to budget, in the first half, more than offset the revenue shortfall, driven largely by positive variances in marketing, event-related travel, ordinary business travel, and consultancy.

Revenues in Q3 reflect a significant recovery for our partners, resulting in MQA's best Q3 to-date. Early Q4 indicators provide confidence in full-year performance to be in line with the forecast provided at the end of Q2.

The Directors have performed an assessment of going concern, giving due consideration to the Company's historical and current income, together with its forward-looking projections. These forward-looking projections include a cash flow forecast for a period including 12 months from the date of approval of these financial statements.

In August 2020 the Group obtained confirmation of further funding of £10 million in two £5 million tranches. The first tranche is to be received in January 2021 which is deemed to be sufficient funds to take the Group at least through 2022. The second £5 million will then be received in the first half of 2022.

The cashflow projections show that, with the additional funding secured in August 2020, the Group and Company have sufficient funds to continue to trade as going concerns and to meet their liabilities as they fall due in the foreseeable future, being at least twelve months for the signing of these financial statements. Based on the above, the Directors consider that the Group and Company will be a going concern for the period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

Post balance sheet events

The COVID-19 outbreak represents an event after the reporting period. However, this is considered to be a non-adjusting event, as the pandemic was declared on 12 March 2020, and is therefore after the Balance Sheet date. It therefore constitutes a new event that does not impact on the conditions existing at the Balance Sheet date. There is therefore no impact on the carrying value of assets at the year end, however it must be acknowledged that the outbreak could lead to potential impairment of assets in the future, although any such impact will likely be immaterial.

Since the year end the global economy has been impacted by the recent COVID-19 pandemic and restrictions imposed by governments around the world to travel and working practices. The impact of this has been considered in the context of going concern within note 2.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 December 2020 and signed on its behalf.

M J Jbara
Director

MQA Limited

Independent Auditor's Report to the Members of MQA Limited

Opinion

We have audited the financial statements of MQA limited ("the Parent Company") and its subsidiaries ("the Group") for the ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes inn Equity and the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 Group or Parent 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

BDO LLP

Nick Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

Date: 18 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MQA Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	**492,291**	376,950
Cost of sales		**(14,224)**	(28,709)
Gross profit		**478,067**	348,241
Administrative expenses		**(4,568,144)**	(4,977,355)
Operating loss	5	**(4,090,077)**	(4,629,114)
Interest receivable and similar income	9	**9,248**	7,718
Interest payable	10	**(233,543)**	(62,494)
Loss before taxation		**(4,314,372)**	(4,683,890)
Tax on loss	11	**144,001**	135,338
Loss for the financial year		**(4,170,371)**	(4,548,552)
Foreign currency translation		**(6,372)**	(53,236)
Other comprehensive income for the year		**(6,372)**	(53,236)
Total comprehensive income for the year		**(4,176,743)**	(4,601,788)

All amounts relate to continuing operations.

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited
Registered number:09123512

Consolidated Balance Sheet
As at 31 December 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	12		**247,729**		255,750
Tangible assets	13		**40,389**		13,989
Investments	14		**1**		1
			288,119		269,740
Current assets					
Stocks	15	**6,206**		-	
Debtors: amounts falling due within one year	16	**464,774**		207,283	
Cash at bank and in hand	17	**5,051,895**		4,672,685	
		5,522,875		4,879,968	
Creditors: amounts falling due within one year	18	**(1,060,751)**		(1,098,208)	
Net current assets			**4,462,124**		3,781,760
Total assets less current liabilities			**4,750,243**		4,051,500
Creditors: amounts falling due after more than one year	19		**(6,997,565)**		(3,591,825)
Net (liabilities)/assets			**(2,247,322)**		459,675
Capital and reserves					
Called up share capital	23		**14**		14
Share premium account	24		**22,307,250**		22,307,250
Foreign exchange reserve	24		**(22,964)**		(16,592)
Convertible loan note reserve	24		**3,104,415**		1,634,669
Profit and loss account	24		**(27,636,037)**		(23,465,666)
			(2,247,322)		459,675

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020

M J Jbara
Director

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited

Registered number:09123512

Company Balance Sheet
As at 31 December 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	12		**247,729**		255,750
Tangible assets	13		**40,389**		13,989
Investments	14		**81**		81
			288,199		269,820
Current assets					
Stocks	15	**6,206**		-	
Debtors: amounts falling due within one year	16	**464,774**		206,759	
Cash at bank and in hand	17	**4,981,453**		4,602,673	
		5,452,433		4,809,432	
Creditors: amounts falling due within one year	18	**(1,060,751)**		(1,098,208)	
Net current assets			**4,391,682**		3,711,224
Total assets less current liabilities			**4,679,881**		3,981,044
Creditors: amounts falling due after more than one year	19		**(6,997,565)**		(3,591,825)
Net (liabilities)/assets			**(2,317,684)**		389,219
Capital and reserves					
Called up share capital	23		**14**		14
Share premium account	24		**22,307,250**		22,307,250
Convertible loan note reserve	24		**3,104,415**		1,634,669
Profit and loss account	24		**(27,729,363)**		(23,552,714)
			(2,317,684)		389,219

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £4,176,649 (2018 - £5,311,456)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020

M U-Jbara
Director

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Convertible loan note reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019	14	22,307,250	(16,592)	1,634,669	(23,465,666)	459,675
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,170,371)	(4,170,371)
Foreign exchange difference	-	-	(6,372)	-	-	(6,372)
Other comprehensive income for the year	-	-	(6,372)	-	-	(6,372)
Total comprehensive income for the year	-	-	(6,372)	-	(4,170,371)	(4,176,743)
Contributions by and distributions to owners						
Convertible loan notes issued during the year	-	-	-	1,469,746	-	1,469,746
Total transactions with owners	-	-	-	1,469,746	-	1,469,746
At 31 December 2019	14	22,307,250	(22,964)	3,104,415	(27,636,037)	(2,247,322)

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Foreign exchange reserve	Convertible loan note reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2018	14	21,753,250	36,644	-	(18,917,114)	2,872,794
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,548,552)	(4,548,552)
Foreign exchange difference	-	-	(53,236)	-	-	(53,236)
Other comprehensive income for the year	-	-	(53,236)	-	-	(53,236)
Total comprehensive income for the year	-	-	(53,236)	-	(4,548,552)	(4,601,788)
Contributions by and distributions to owners						
Shares issued during the year	-	554,000	-	-	-	554,000
Convertible loan notes issued during the year	-	-	-	1,634,669	-	1,634,669
Total transactions with owners	-	554,000	-	1,634,669	-	2,188,669
At 31 December 2018	14	22,307,250	(16,592)	1,634,669	(23,465,666)	459,675

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Convertible loan note reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	14	22,307,250	1,634,669	(23,552,714)	389,219
Comprehensive income for the year					
Loss for the year	-	-	-	(4,176,649)	(4,176,649)
Total comprehensive loss for the year	-	-	-	(4,176,649)	(4,176,649)
Contributions by and distributions to owners					
Convertible loan notes issued during the year	-	-	1,469,746	-	1,469,746
Total transactions with owners	-	-	1,469,746	-	1,469,746
At 31 December 2019	14	22,307,250	3,104,415	(27,729,363)	(2,317,684)

Company Statement of Changes in Equity
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Convertible loan note reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	14	21,753,250	-	(18,241,258)	3,512,006
Comprehensive income for the year					
Loss for the year	-	-	-	(5,311,456)	(5,311,456)
Total comprehensive loss for the year	-	-	-	(5,311,456)	(5,311,456)
Contributions by and distributions to owners					
Shares issued during the year	-	554,000	-	-	554,000
Convertible loan notes issued during the year	-	-	1,634,669	-	1,634,669
Total transactions with owners	-	554,000	1,634,669	-	2,188,669
At 31 December 2018	14	22,307,250	1,634,669	(23,552,714)	389,219

The notes on pages 18 to 35 form part of these financial statements.

MQA Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	**(4,170,371)**	(4,548,552)
Adjustments for:		
Amortisation of intangible assets	**72,722**	-
Depreciation of tangible assets	**10,690**	4,286
Interest paid	**233,543**	62,494
Interest received	**(9,248)**	(7,718)
Taxation charge	**(144,001)**	(135,338)
(Increase)/decrease in stocks	**(6,206)**	-
(Increase) in debtors	**(113,490)**	(9,812)
(Decrease)/increase in creditors	**(37,459)**	12,935
Corporation tax received	**524**	134,814
Share issue in exchange for services	**-**	1,634,669
Net cash generated from operating activities	**(4,163,296)**	(2,852,222)
Cash flows from investing activities		
Purchase of intangible fixed assets	**(64,701)**	(255,750)
Purchase of tangible fixed assets	**(37,090)**	(7,191)
Interest received	**9,248**	7,718
Net cash from investing activities	**(92,543)**	(255,223)

MQA Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from financing activities		
Issue of equity loan notes	**1,469,746**	554,000
Other new loans	**3,405,740**	3,591,825
Interest paid	**(233,543)**	(62,494)
Net cash used in financing activities	**4,641,943**	4,083,331
Net increase in cash and cash equivalents	**386,104**	975,886
Cash and cash equivalents at beginning of year	**4,672,685**	3,750,035
Foreign exchange gains and losses	**(6,894)**	(53,236)
Cash and cash equivalents at the end of year	**5,051,895**	4,672,685
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**5,051,895**	4,672,685
	5,051,895	4,672,685

1. General information

MQA Limited is a company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activities are given in the Directors' Report and Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

2. Accounting policies (continued)

2.3 Going concern

Since the year end the global economy has been impacted by the recent COVID-19 pandemic and restrictions imposed by governments around the world to travel and working practices.

As set out on page 10 the Group made a total comprehensive loss in the year of £4,176,743 (2019: £4,601,788) but has net current assets of £4,462,124 (2019: £3,781,760).

The global pandemic had a measurable, short-term impact on partner supply chains and consumer confidence in the first half of 2020. MQA has managed costs to offset shortfalls in revenue, resulting in a projected cash balance in line with the 2020 budget.

Revenues for the first half were 56% of budget. COVID-related impacts, particularly the shutdown in China, were the primary drivers of this negative variance.

Expense reductions compared to budget, in the first half, more than offset the revenue shortfall, driven largely by positive variances in marketing, event-related travel, ordinary business travel, and consultancy.

Revenues in Q3 reflect a significant recovery for our partners, resulting in MQA's best Q3 to-date. Early Q4 indicators provide confidence in full-year performance to be in line with the forecast provided at the end of Q2.

The Directors have performed an assessment of going concern, giving due consideration to the Company's historical and current income, together with its forward-looking projections. These forward-looking projections include a cash flow forecast for a period including 12 months from the date of approval of these financial statements.

In August 2020 the Group obtained confirmation of further funding of £10 million in two £5 million tranches. The first tranche is to be received in January 2021 which is deemed to be sufficient funds to take the Group at least through 2022. The second £5 million will then be received in the first half of 2022.

The cashflow projections show that, with the additional funding secured in August 2020, the Group and Company have sufficient funds to continue to trade as going concerns and to meet their liabilities as they fall due in the foreseeable future, being at least twelve months for the signing of these financial statements. Based on the above, the Directors consider that the Group and Company will be a going concern for the period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

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

Rendering of services

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

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

2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following basis:

Computer equipment	- 25% straight line

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

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

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Portal development	-	4 years straight line
Website	-	4 years straight line

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, being 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

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

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

2. Accounting policies (continued)

2.12 Financial instruments (continued)

instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

2.13 Creditors

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

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income. All other foreign exchange gains and losses are also presented in the Consolidated Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: Lessee

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

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of.Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Holiday pay accrual

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

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.21 Convertible debt

Proceeds from convertible loan notes are allocated between liabilities and equity. The liability component is recognised as the fair value of a similar liability with the residual amount being recognised as the equity component.

2. Accounting policies (continued)

2.22 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assessing the going concern status of the Company and Group (see note 2.3).
- Determine the fair value of share premium on shares issued in exchange for services.
- Determining the equity element of the convertible loan notes. The equity component is calculated as the difference between the NPV of future interest payments and the nominal value of the loan. Judgements are applied when calculating the discount rate applied including the size of the business and the industry it operates in.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

5. Operating loss

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

	2019 £	2018 £
Amortisation of intangible fixed assets	**72,722**	-
Depreciation of tangible fixed assets	**10,690**	4,286
Exchange differences	**32,438**	(70,622)
Defined contribution pension cost	**84,970**	81,317

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	**23,150**	22,550
Fees payable to the Group's auditor in respect of other services	**6,250**	6,250

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	**1,816,761**	1,670,675	**1,519,890**	1,370,260
Social security costs	**173,176**	160,193	**164,078**	143,361
Cost of defined contribution scheme	**84,970**	81,317	**75,380**	70,176
	2,074,907	1,912,185	**1,759,348**	1,583,797

The average monthly number of employees, including the Directors, during the year was 22 (2018: 21). All employees fall into the administration category.

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	**649,433**	670,441
Company contributions to defined contribution pension schemes	**3,106**	3,623
	652,539	674,064

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £422,825 (2018 - £403,494).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,106 (2018 - £3,623).

The key management personnel of the Group and Company are the Directors whose remuneration for the year was £688,862 (2018 - £709,097).

9. Interest receivable

	2019 £	2018 £
Other interest receivable	**9,248**	7,718

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	**233,543**	62,494

11. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods - research and development credit	**(144,001)**	(135,338)
Total current tax	**(144,001)**	(135,338)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	**(4,314,372)**	(4,683,890)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**(819,731)**	(889,939)
Effects of:		
Expenses not deductible for tax purposes	**91,171**	57,912
Deferred tax not recognised	**728,560**	832,027
Adjustments to tax charge in respect of prior periods - research and development credit	**(144,001)**	(135,338)
Total tax charge for the year	**(144,001)**	(135,338)

Factors that may affect future tax charges

There is an unrecognised deferred tax asset at the year end of £5,257,903 (2018: £4,641,530) in respect of taxable losses in MQA Limited of £30,928,844 (2018: £27,303,119). The Directors have not recognised this on the basis there is insufficient certainty as to whether future revenue will exceed costs to generate sufficient, taxable profits to warrant the recognition of this asset.

12. Intangible assets

Group and Company

	Portal development and website £
Cost	
At 1 January 2019	**255,750**
Additions	**64,701**
At 31 December 2019	**320,451**
Amortisation	
Charge for the year	**72,722**
At 31 December 2019	**72,722**
Net book value	
At 31 December 2019	**247,729**
At 31 December 2018	255,750

All of the Group's intangible fixed assets are held in the Parent Company.

13. Tangible fixed assets

Group and Company

	Computer equipment £
Cost	
At 1 January 2019	**21,631**
Additions	**37,090**
At 31 December 2019	**58,721**
Depreciation	
At 1 January 2019	**7,642**
Charge for the year	**10,690**
At 31 December 2019	**18,332**
Net book value	
At 31 December 2019	**40,389**
At 31 December 2018	13,989

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2019 & 31 December 2019	**81**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
MQA Inc.	This company incurs costs in respect of US employees of the group	Ordinary	100%
MQA Trustees Limited	Non-trading, dormant entity	Ordinary	100%

The registered office of MQA Inc. is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA.

The registered office of MQA Trustees Limited is The Broadgate Tower, Third Floor, 20 Primrose Street, London EC2A 2RS.

15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	**6,206**	-	**6,206**	-

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	**73,078**	23,327	**73,078**	23,327
Other debtors	**228,894**	98,186	**228,894**	97,662
Prepayments and accrued income	**162,802**	85,770	**162,802**	85,770
	464,774	207,283	**464,774**	206,759

The impairment loss recognised in the year in respect of bad and doubtful debts was £395,206 (2018: £1,051,396) for the Company only in respect of intercompany debtors. There was no impairment loss recognised in the year for the Group (2018: £Nil).

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	**5,051,895**	4,672,685	**4,981,453**	4,602,673

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	**750,000**	750,000	**750,000**	750,000
Trade creditors	**93,836**	55,148	**93,836**	55,148
Other taxation and social security	**53,049**	52,068	**53,049**	52,068
Other creditors	**21,035**	18,706	**21,035**	18,706
Accruals and deferred income	**142,831**	222,286	**142,831**	222,286
	1,060,751	1,098,208	**1,060,751**	1,098,208

19. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	**6,997,565**	3,591,825	**6,997,565**	3,591,825

Other loans relate to the debt element of the convertible loan notes. Interest is charged at 4% per annum and the loan notes mature in September 2023 unless converted at an earlier date.

20. Analysis of net debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	**4,672,685**	**379,210**	**5,051,895**
Debt due after 1 year	**(3,591,825)**	**(3,405,740)**	**(6,997,565)**
Debt due within 1 year	**750,000**	**-**	**750,000**
	1,830,860	**(3,026,530)**	**(1,195,670)**

21. Loans

An analysis of the maturity of loans is given below:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Other loans	**750,000**	750,000	**750,000**	750,000
Amounts falling due 2-5 years				
Other loans	**6,997,565**	3,591,825	**6,997,565**	3,591,825
	7,747,565	4,341,825	**7,747,565**	4,341,825

22. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**5,250,064**	4,749,873	**5,179,622**	4,679,863
Financial liabilities				
Financial liabilities measured at amortised cost	**(8,005,267)**	(4,628,775)	**(8,005,267)**	(4,628,773)

Financial assets measured at amortised cost comprise trade and other debtors, accrued income, and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and borrowings.

23. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
12,504 Ordinary shares of £0.001 each	12	12
1,910 B Ordinary shares of £0.001 each	2	2
	14	14

The Ordinary shares have the right to a dividend, subject to shareholder agreement.

The Ordinary B shares have the right to a dividend only after 1 January 2021. After such time, the dividend will be equal to the Ordinary share dividend.

The Ordinary shares carry one vote; the Ordinary B shares do not carry any votes.

24. Reserves

The Group and the Company have the following reserves:

Share premium account

The share premium reserve relates to amounts paid or services provided for share capital in excess of nominal value.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

In addition, the Group has the following reserve:

Foreign currency translation reserve

The foreign currency translation reserve relates to the differences arising on consolidation as the subsidiary company, MQA Inc., figures are in USD.

Convertible loan note reserve

The convertible loan note reserve represents the equity proportion of the convertible loan notes issued by the group.

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £84,970 (2018: £81,317). Contributions totalling £9,746 (2018: £9,190) were payable to the fund at reporting date.

26. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	**66,250**	152,500	**66,250**	152,500
Later than 1 year and not later than 5 years	**-**	28,750	**-**	28,750
	66,250	181,250	**66,250**	181,250

27. Related party transactions

The Company holds a loan from Muse Holdings SARL, a parent company. The loan amount of £750,000 (2018: £750,000) is outstanding at the year end.

During the year Meridian Audio Limited, a company of which J R Stuart is a director, raised invoices for central recharges totalling £264,996 (2018: £264,996). At the year end a balance of £24,583 (2018: £24,583) was outstanding.

28. Controlling party

In the opinion of the Directors, Reinet Investments S.C.A. is the ultimate controlling party.

29. Events since the reporting period

The COVID-19 outbreak represents an event after the reporting period. However, this is considered to be a non-adjusting event, as the pandemic was declared on 12 March 2020, and is therefore after the Balance Sheet date. It therefore constitutes a new event that does not impact on the conditions existing at the Balance Sheet date. There is therefore no impact on the carrying value of assets at the year end, however it must be acknowledged that the outbreak could lead to potential impairment of assets in the future, although any such impact will likely be immaterial.

Since the year end the global economy has been impacted by the recent COVID-19 pandemic and restrictions imposed by governments around the world to travel and working practices.
The impact of this has been considered in the context of going concern within note 2.