

Company Registration No. 06979284 (England and Wales)

THE SENSIBLE CODE COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
PAGES FOR FILING WITH REGISTRAR

THE SENSIBLE CODE COMPANY LTD

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THE SENSIBLE CODE COMPANY LTD

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	4		1,091,359		846,067
Tangible assets	5		2,251		1,164
			<u>1,093,610</u>		<u>847,231</u>
Current assets					
Debtors	6	62,112		109,759	
Cash at bank and in hand		769,656		745,153	
		<u>831,768</u>		<u>854,912</u>	
Creditors: amounts falling due within one year	7	(281,028)		(352,993)	
Net current assets			<u>550,740</u>		<u>501,919</u>
Total assets less current liabilities			<u>1,644,350</u>		<u>1,349,150</u>
Creditors: amounts falling due after more than one year	8		(127,287)		(127,287)
Net assets			<u>1,517,063</u>		<u>1,221,863</u>
Capital and reserves					
Called up share capital	10		98,526		98,526
Share premium account			635,868		635,868
Capital redemption reserve			6,658		6,658
Profit and loss reserves			776,011		480,811
Total equity			<u>1,517,063</u>		<u>1,221,863</u>

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

For the financial year ended 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

THE SENSIBLE CODE COMPANY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The financial statements were approved by the board of directors and authorised for issue on 10 February 2022 and are signed on its behalf by:

Mr A M McGuire

Director

Company Registration No. 06979284

THE SENSIBLE CODE COMPANY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2021

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 September 2019	98,526	635,868	6,658	(35,527)	705,525
Year ended 31 August 2020:					
Profit and total comprehensive income for the year	-	-	-	516,338	516,338
Balance at 31 August 2020	98,526	635,868	6,658	480,811	1,221,863
Year ended 31 August 2021:					
Profit and total comprehensive income for the year	-	-	-	295,200	295,200
Balance at 31 August 2021	<u>98,526</u>	<u>635,868</u>	<u>6,658</u>	<u>776,011</u>	<u>1,517,063</u>

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

The Sensible Code Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is C/O City Chartered Accountants, 5th Floor Linen Hall, 162-168 Regent Street, London, W1B 5TF.

1.1 Accounting convention

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

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

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

1.2 Turnover

Turnover represents amounts receivable for the provision of data products and data science services provided before the balance sheet date net of VAT and trade discounts.

1.3 Research and development expenditure

Development expenditure is written off to the profit and loss account in the year in which it is incurred unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit, which is considered to be 10 years.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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:

Patents and licences	10% Straight line
Development costs	10% Straight line

1.5 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:

Fixtures and fittings	33% Straight line
Computers	33% Straight line

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.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Cash and cash equivalents

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

1.8 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.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.9 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Current tax

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

1.11 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.

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the the directors' best estimated.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

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.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2021 Number	2020 Number
Total	8	8

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Intangible fixed assets

	Development Costs £
Cost	
At 1 September 2020	1,683,756
Additions	410,593
At 31 August 2021	2,094,349
Amortisation and impairment	
At 1 September 2020	837,689
Amortisation charged for the year	165,301
At 31 August 2021	1,002,990
Carrying amount	
At 31 August 2021	1,091,359
At 31 August 2020	846,067

5 Tangible fixed assets

	Fixtures & Computers £
Cost	
At 1 September 2020	12,408
Additions	3,731
Disposals	(1,920)
At 31 August 2021	14,219
Depreciation and impairment	
At 1 September 2020	11,244
Depreciation charged in the year	1,044
Eliminated in respect of disposals	(320)
At 31 August 2021	11,968
Carrying amount	
At 31 August 2021	2,251
At 31 August 2020	1,164

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	4,913	38,206
Corporation tax recoverable	17,052	-
Other debtors	40,147	71,553
	62,112	109,759

7 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	2,405	11,539
Taxation and social security	28,168	126,444
Other creditors	250,455	215,010
	281,028	352,993

Included in other creditors are loans of £37,500 (2020 - £37,500) which are secured by way of fixed and floating charges on the assets of the company.

8 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Other creditors	127,287	127,287

Included in other creditors are loans of £55,500 (2020 - £55,500) which are secured by way of fixed and floating charges on the assets of the company.

9 Share-based payment transactions

There were no share options granted by the company to its employees during the year ended 31 August 2021. During the prior year ended 31 August 2020, the company granted 9,054 EMI share options to its employees which are exercisable on sale or listing of the company. As the vesting period is conditional on listing or sale of the company no expense was recognised in the years ended 31 August 2020 and 31 August 2021.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 33p each	123,163	123,163	40,644	40,644
Ordinary B shares of £1 each	6,180	6,180	6,180	6,180
Ordinary A shares of £1 each	51,702	51,702	51,702	51,702
	<u>181,045</u>	<u>181,045</u>	<u>98,526</u>	<u>98,526</u>

On 3 December 2018 the company bought back 20,176 Ordinary shares of £0.33 each for the consideration of £30,264.

11 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Closing balance £
J Todd - director's loan account	-	3,433	3,433
		<u>3,433</u>	<u>3,433</u>

Included in creditors is £9,783 (2020: £9,783) due to the directors of the company, of which £9,783 (2020: £9,783) is due in more than one year.

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.