Registered number: 07940023

REZATEC LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

REZATEC LIMITED
REGISTERED NUMBER: 07940023

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		Restated 2020 £
Fixed assets					
Intangible assets	5		632,760		942,208
Tangible assets	6		272,713		367,873
			905,473		1,310,081
Current assets					
Debtors: amounts falling due within one year	8	2,299,535		2,198,307	
Cash at bank and in hand	9	178,543		2,832,591	
		2,478,078		5,030,898	
Creditors: amounts falling due within one year	10	(2,404,781)		(2,085,193)	
Net current assets			73,297		2,945,705
Total assets less current liabilities			978,770		4,255,786
Creditors: amounts falling due after more than one year	11		(72,445)		(295,155)
Net assets			906,325		3,960,631
Capital and reserves					
Called up share capital	14		441		433
Share premium account			8,984,837		8,671,876
Foreign exchange reserve			1,261		-
Profit and loss account			(8,080,214)		(4,711,678)
			906,325		3,960,631

The 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 Section 1A - small entities.

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

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

P Newton
Director
Date: 19 October 2021

The notes on pages 5 to 20 form part of these financial statements.

REZATEC LIMITED
REGISTERED NUMBER: 07940023

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		Restated 2020 £
Fixed assets					
Intangible assets	5		632,760		942,208
Tangible assets	6		272,713		367,873
Investments	7		1		1
			905,474		1,310,082
Current assets					
Debtors: amounts falling due within one year	8	3,462,810		3,056,086	
Cash at bank and in hand	9	153,205		2,682,362	
		3,616,015		5,738,448	
Creditors: amounts falling due within one year	10	(3,798,432)		(2,903,311)	
Net current (liabilities)/assets			(182,417)		2,835,137
Total assets less current liabilities			723,057		4,145,219
Creditors: amounts falling due after more than one year	11		(72,445)		(295,155)
Net assets			650,612		3,850,064
Capital and reserves					
Called up share capital	14		441		433
Share premium account			8,984,837		8,671,876
Profit and loss account			(8,334,666)		(4,822,245)
			650,612		3,850,064

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

P Newton
Director
Date: 19 October 2021

The notes on pages 5 to 20 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020 (as previously stated)	433	8,671,876	-	(4,333,099)	4,339,210
Prior year adjustment	-	-	-	(378,579)	(378,579)
At 1 April 2020 (as restated)	433	8,671,876	-	(4,711,678)	3,960,631
Loss for the year	-	-	-	(3,362,858)	(3,362,858)
Currency translation differences	-	-	1,261	-	1,261
Total comprehensive income for the year	-	-	1,261	(3,362,858)	(3,361,597)
Shares issued during the year	8	312,961	-	-	312,969
Share Based Payment Charge	-	-	-	(5,678)	(5,678)
At 31 March 2021	441	8,984,837	1,261	(8,080,214)	906,325

The notes on pages 5 to 20 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019 (as previously stated)	248	3,827,405	(3,349,591)	478,062
Prior year adjustment	-	-	172,547	172,547
At 1 April 2019 (as restated)	248	3,827,405	(3,177,044)	650,609
Loss for the year	-	-	(1,555,870)	(1,555,870)
Shares issued during the year	185	4,844,471	-	4,844,656
Share based payment charge	-	-	21,236	21,236
Total transactions with owners	185	4,844,471	21,236	4,865,892
At 31 March 2020	433	8,671,876	(4,711,678)	3,960,631

The notes on pages 5 to 20 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2019	248	3,827,405	(2,982,534)	845,119
Loss for the year	-	-	(1,860,947)	(1,860,947)
Shares issued during the year	185	4,844,471	-	4,844,656
Share based payment charge	-	-	21,236	21,236
At 1 April 2020 (as previously stated)	433	8,671,876	(4,511,811)	4,160,498
Prior year adjustment	-	-	(310,434)	(310,434)
At 1 April 2020 (as restated)	433	8,671,876	(4,822,245)	3,850,064
Loss for the year	-	-	(3,506,743)	(3,506,743)
Shares issued during the year	8	312,961	-	312,969
Share based payment charge	-	-	(5,678)	(5,678)
At 31 March 2021	441	8,984,837	(8,334,666)	650,612

The notes on pages 5 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Rezatec Limited is a private company, limited by shares and incorporated in the United Kingdom and registered in England and Wales (registered number 07940023).

The registered office and principal place of business is Quad One, Becquerel Avenue, Harwell, Didcot, Oxfordshire, OX11 0RA.

As a geospatial AI (artificial intelligence) business, the principal activity of the Group in the period under review is to provide proprietary geospatial data products to customers in key industry sectors including agriculture, water, forestry and energy. These products enable the Company's customers to manage their ground-based assets and critical infrastructure remotely, at scale and cost-effectively. Customers access their products through a fully scalable, always-on, web-based platform, which they subscribe to on a multiyear, renewable basis.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 financial statements have been rounded to the nearest pound Sterling.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

2. Accounting policies (continued)

2.3 Going concern

The Group had a loss attributable to shareholders for the year of £3,362,858 (2020 Loss: £1,555,870) and at 31 March 2021 had cash balances of £178,543 (2020: £2,832,591).

The directors have prepared forecasts and projections using what the directors believe to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for a period of at least 12 months from signing of the financial statements which show the Company to be a going concern. The directors are also undertaking proactive measures to optimise working capital and preserve cash. In addition, the directors have also reviewed recent Government pronouncements to support businesses through this period. This includes time to pay arrangements for payroll related tax liabilities, and the Company will utilise this support.

Based on the above, the directors are of the opinion that the going concern principle is applicable and that the Company has the necessary resources to continue as a going concern for the foreseeable future.

2.4 Revenue

Turnover comprises both commercially generated income in respect of services supplied during the year along with public sector income received. Turnover is exclusive of Value Added Tax and trade discounts.

Commercial income is recognised in line with agreements established with customers. Where services are provided but amounts are not invoiced by year end, accrued income is recognised within the accounts accordingly.

The Group's commercial subscription revenue is recognised as income on an Annual Recurring Revenue (ARR) basis to reflect the fact that the business is predominantly subscription based with customers accessing Rezatec products via a "software as a service" (SAAS) or "data as a service"(DAAS) model. This matches investor understanding of the Rezatec business model and is in line with the appropriate GAAP current practice at the time of reporting.

2.5 Public sector revenue

Public Sector (grant) income is accounted for under the accruals model as permitted by FRS 102. The deferred element of Public Sector income is included in creditors as deferred income.

Public Sector Income is recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2. Accounting policies (continued)

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.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Patents	-	33 % straight line
Development expenditure	-	33 % straight line

2.7 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, using the straight-line method.

Depreciation is provided on the following basis:

Software	- 50% straight line
Fixtures & fittings	- 10-33% straight line
Computer equipment	- 20-30% 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 profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.10 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.

2.11 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 and other third parties, loans to related parties and investments in ordinary shares.

2.12 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.

2.13 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.

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.

2.14 Finance costs

Finance costs are charged to profit or loss 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.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Accounting policies (continued)

2.16 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 payment obligations.

The contributions are recognised as an expense in profit or loss 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.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Taxation

Tax is recognised in profit or loss 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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.20 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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

The Group makes estimates and assumptions concerning the future and judgements in applying the Group's accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have caused a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

Intangible fixed assets

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

Development costs are capitalised if, and only if certain criteria are met to demonstrate that the asset will generate probable future economic benefits and that its cost can be reliably measured. Capitalised development costs are amortised on a straight line basis over their useful economic lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors.

Share based payment

The fair value of the share options at the date of grant is determined using the Black-Scholes model. This model uses key assumptions including the risk free rate, share price and volatility of the share price. The fair value of the options at the date of grant is then charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

4. Employees

The average monthly number of employees, including directors, during the year was 49 (2020 - 37).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Intangible assets

Group

	Patents	Development expenditure	Total
	£	£	£
Cost			
At 1 April 2020	33,166	1,066,700	1,099,866
Additions	5,140	-	5,140
Additions - internal	-	159,934	159,934
Disposals	-	(166,665)	(166,665)
At 31 March 2021	38,306	1,059,969	1,098,275
Amortisation			
At 1 April 2020	19,686	137,972	157,658
Charge for the year on owned assets	7,845	355,567	363,412
On disposals	-	(55,555)	(55,555)
At 31 March 2021	27,531	437,984	465,515
Net book value			
At 31 March 2021	10,775	621,985	632,760
At 31 March 2020	13,480	928,728	942,208

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Intangible assets (continued)

Company

	Patents	Development expenditure	Total
	£	£	£
Cost			
At 1 April 2020	33,166	1,066,700	1,099,866
Additions	5,140	-	5,140
Additions - internal	-	159,934	159,934
Disposals	-	(166,665)	(166,665)
At 31 March 2021	38,306	1,059,969	1,098,275
Amortisation			
At 1 April 2020	19,686	137,972	157,658
Charge for the year	7,845	355,567	363,412
On disposals	-	(55,555)	(55,555)
At 31 March 2021	27,531	437,984	465,515
Net book value			
At 31 March 2021	10,775	621,985	632,760
At 31 March 2020	13,480	928,728	942,208

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Tangible fixed assets

Group

	Software	Fixtures & fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	117,552	353,950	259,957	731,459
Additions	-	-	46,506	46,506
Disposals	-	-	(15,450)	(15,450)
Revaluations	-	(53,974)	-	(53,974)
At 31 March 2021	117,552	299,976	291,013	708,541
Depreciation				
At 1 April 2020	117,543	129,117	116,926	363,586
Charge for the year on owned assets	9	66,242	52,767	119,018
Disposals	-	-	(15,450)	(15,450)
On revalued assets	-	(31,326)	-	(31,326)
At 31 March 2021	117,552	164,033	154,243	435,828
Net book value				
At 31 March 2021	-	135,943	136,770	272,713
At 31 March 2020	9	224,833	143,031	367,873

6. Tangible fixed assets (continued)

Company

	Software	Fixtures & fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	117,552	353,950	259,957	731,459
Additions	-	-	46,506	46,506
Disposals	-	-	(15,450)	(15,450)
Revaluations	-	(53,974)	-	(53,974)
At 31 March 2021	117,552	299,976	291,013	708,541
Depreciation				
At 1 April 2020	117,543	129,117	116,926	363,586
Charge for the year on owned assets	9	66,242	52,767	119,018
Disposals	-	-	(15,450)	(15,450)
On revalued assets	-	(31,326)	-	(31,326)
At 31 March 2021	117,552	164,033	154,243	435,828
Net book value				
At 31 March 2021	-	135,943	136,770	272,713
At 31 March 2020	9	224,833	143,031	367,873

7. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2020	1
At 31 March 2021	1

	Country of incorporation	Class of shares	Holding	Principal activity
Rezatec (UK Services) Limited	United Kingdom	Ordinary	100%	Geo-spatial analytical services
Rezatec Global Inc	United States	Ordinary	100%	Geo-spatial analytical services
Rezatec Europe Limited	Ireland	Ordinary	100%	Geo-spatial analytical services

8. Debtors

	Group 2021 £	Group As restated 2020 £	Company 2021 £	Company As restated 2020 £
Trade debtors	951,469	1,104,277	-	315,084
Amounts owed by group undertakings	-	-	2,831,322	2,104,276
Other debtors	59,812	131,421	59,812	131,421
Prepayments and accrued income	851,702	647,084	135,124	189,780
Tax recoverable	436,552	315,525	436,552	315,525
	2,299,535	2,198,307	3,462,810	3,056,086

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Cash and cash equivalents

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Cash at bank and in hand	178,543	2,832,591	153,205	2,682,362
	178,543	2,832,591	153,205	2,682,362

10. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Bank loans	211,931	261,421	211,931	261,421
Other loans	-	288,000	-	288,000
Trade creditors	439,402	599,330	399,558	430,561
Amounts owed to group undertakings	-	-	2,128,352	1,045,068
Other taxation and social security	511,819	303,073	511,819	303,073
Obligations under finance lease and hire purchase contracts	45,589	88,016	45,589	88,016
Other creditors	34,168	20,410	34,168	20,410
Accruals and deferred income	1,161,872	524,943	467,015	466,762
	2,404,781	2,085,193	3,798,432	2,903,311

The loan facility is repayable over three years with annual interest rate set at the higher of 11% or Euribor+10%. It is secured by a fixed and floating charge over all assets of Rezatec Limited and by a fixed and floating charge over all assets of Rezatec (UK Services) Limited.

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

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Bank loans	-	199,103	-	199,103
Net obligations under finance leases and hire purchase contracts	72,445	96,052	72,445	96,052
	72,445	295,155	72,445	295,155

The loan facility is repayable over three years with annual interest rate set at the higher of 11% or Euribor+10%. It is secured by a fixed and floating charge over all assets of Rezatec Limited and by a fixed and floating charge over all assets of Rezatec (UK Services) Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Loans

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Amounts falling due within one year				
Bank loans	211,931	261,421	211,931	261,421
Other loans	-	288,000	-	288,000
	211,931	549,421	211,931	549,421
Amounts falling due 2-5 years				
Bank loans	-	199,103	-	199,103
	-	199,103	-	199,103
	211,931	748,524	211,931	748,524

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Within one year	44,079	88,017	44,079	88,017
Between 1-5 years	75,580	96,052	75,580	96,052
	119,659	184,069	119,659	184,069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
2,560,061 (2020 - 2,474,800) Ordinary shares of £0.0001- each	256.01	247.48
200,000 (2019 - 200,000) G1 shares of £0.0001- each	20.00	20.00
800,000 (2019 - 0800,000) A Ordinary shares of £0.0001- each	80.00	80.00
800,000 (2019 - 0800,000) A Preferred shares of £0.0001- each	80.00	80.00
52,176 (2019 - 052,200) G2 shares of £0.0001- each	5.22	5.22
	441.23	432.70

On 16 April 2020, the Company issued 12,500 Ordinary shares with a nominal value of £0.0001, for a total consideration of £25,000. This issue related to an options exercise.

On 25 October 2020, the Company issued 47,209 Ordinary shares with a nominal value £0.0001, for a total consideration of £177,978.

On 21 November 2020, the Company issued 25,520 Ordinary shares with a nominal value £0.0001, for a total consideration of £109,991.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Share based payments

The Company has granted its employees Enterprise Management Incentive share options.

	Weighted average exercise price (pence) 2021	**Number 2021**	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	272	302,298	268	292,298
Granted during the year	468	56,714	377	10,000
Forfeited during the year	539	(30,500)	377	-
Exercised during the year	268	(12,500)	0	-
Outstanding at the end of the year	282	316,012	272	302,298

	2021	2020
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price (pence)	539	377
Exercise price (pence)	539	377
Weighted average contractual life	10	10
Expected volatility	25	25
Risk-free interest rate	1%	1%

16. Prior year adjustment

During the year a prior year adjustment has been made within Rezatec (UK Services) Limited as the directors consider that it is appropriate to restate the prior year accrued income, as they became aware that at the prior year end the balance was no longer recoverable. The impact of this adjustment is to reduce prior year commerical income and accrued income by £378,579.

As a result of this prior year adjustment the directors consider that it is appropriate to restate prior year intercompany debtors, due to a transfer pricing adjustment to the accrued income restated above. The impact of this adjustment is to adjust the intercompany balance between Rezatec Limited and Rezatec (UK services) by £310,434.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Commitments under operating lease

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Not later than 1 year	210,561	147,091	210,561	147,091
Later than 1 year and not later than 5 years	626,520	127,091	626,520	127,091
Later than 5 years	1,113,813	-	1,113,813	-
	1,950,894	274,182	1,950,894	274,182

These lease commitments relate to office premises, to accommodate the Group's increasing staff numbers. The lease agreements incorporate rent reviews to occur in year 5 (2025).

18. Related party transactions

The Group has chosen to apply the exemption under FRS 102 Section 33 not to disclose transactions with wholly owned group members.
In the year ended 31 March 2021, the Group paid £6,000 (2020: £9,900) for professional services to two companies with a common director. At 31 March 2021 the Group owed £Nil (2020: £2,750) to this company.
In the year ended 31 March 2021, the Group wrote off £Nil (2020: £167) of loan owed to a director.

19. Post balance sheet events

The Company completed on a £3m five-year Venture Debt facility with Shard Credit Partners on 13 August 2021. Repayments commence thirty-six months after completion and the facility is secured by a fixed and floating charge over the assets of Rezatec Ltd and Rezatec (UK Services) Ltd.

As part of the completion of this facility, the remaining balance of our previous Venture Debt facility with Harbert (now Claret Capital) was repaid.

The Company launched an EIS equity investment round (via an Advance Subscription Agreement structure) in June 2021, open to both existing shareholders and new investors. As at 15th September 2021, this has raised £1,325,000 and the Company are engaged with several additional interested parties. The round closes in November 2021 and shares will be allotted in December 2021.

20. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2021 was unqualified.

The audit report was signed on 19 October 2021 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston.

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.