

Cometrica Limited

Registered number: SC339323

Unaudited Annual Report

For the year ended 31 March 2021



COMPANIES HOUSE

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EDINBURGH MAILBOX

ECOMETRICA LIMITED

COMPANY INFORMATION

Directors	Gary J M Davis Paul G J A Simon Dr Richard M Tipper Andrew P Muir Bertrand J Revenaz
Company secretary	Morton Fraser Secretaries Limited
Registered number	SC339323
Registered office	Orchard Brae House 30 Queensferry Road Edinburgh EH4 2HS
Accountants	Mazars LLP Chartered Accountants Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Clydesdale Bank Plc 1st Floor 30 St Vincent Place Glasgow G1 2HL
Solicitors	Morton Fraser Fifth Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL

ECOMETRICA LIMITED

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ECOMETRICA LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The directors present their report for Ecometrica Limited and its subsidiary undertakings, Ecometrica (Canada) Limited and Ecometrica USA Inc., for the year ended 31 March 2021.

Business review and principal risks and uncertainties

The last financial year we've endured at Ecometrica has been like no other, a sentiment that most likely rings true for many businesses due to the Covid 19 pandemic. In our case it has been a tale of two halves; a very challenging first 6 months in the highly uncertain early months of the pandemic with cancelled contracts, lost revenue and a complete change to working patterns, followed by a much stronger second 6 months which saw us stabilise our cash position, bring about some key operational changes, reprioritise how we approach our markets and begin to build some serious sales momentum as market conditions improve.

The financial record will show a business that appears to be shrinking with revenue down from £6.5 million to £2.6 million, a drop of 60%, and profits down from £1.2 million to £0.84 million, a drop of 28%. Most of this drop can be explained by the ending of the Forests 2020 contract, which previously contributed circa £4m to annual revenues, as well as the Covid 19 pandemic dramatically slowing the Forests 2020 commercial follow-on activities which were set to replace much of the lost revenue.

The revenues that remain post Forests 2020 are the core of the business and always have been; the long term repeatable licence revenue. Indeed, if you look at the profit margin for this financial year, which was 32%, and compare it with the previous financial year of 18% you can see a marked jump in profitability. This underlying profitability has always been there and is now revealed more fully without the influence of running the Forests 2020 programme through the accounts.

As I write this market conditions for sustainability reporting software are amongst the best we have seen with enquiries up 300%, time to close new deals down by 3 times and the cost of sale decreasing dramatically. As we move into what we all hope is the post pandemic phase we are seeing a positive shift in market conditions for sustainability reporting software with increased interest across all our reporting services including GHG emissions, sustainability, climate risk, net zero, Scope 3, TCFD, SECR, forest due diligence, forest compliance, fire risk, water scarcity / flooding, emissionfactors.com and our API services.

As a result, our annual recurring revenue (ARR) is growing faster than ever and we remain optimistic for the future, which has given us the confidence to begin investing our healthy cash reserves to bring forward hires in sales, marketing, and R&D. With our investments in growth over the course of the next financial year we are aiming to secure major new deals for our expanding partnerships programme, we will strengthen our sales and marketing team so we can maximise the inbound demand we are seeing, and we will unveil an expanded range of software products for the mass market of mainly SMEs that need easy affordable tools to report and manage their ESG impacts. In the coming financial year, we will continue to grow ARR while maintaining our ability to generate profits; a feature of the business that has helped us weather one of the most difficult financial years we have had.

The principal risks and uncertainties facing the business come from two main areas; the Covid 19 pandemic and global sentiment towards the climate emergency. As we have seen, a pandemic lockdown prevents huge swathes of normal economic activity creating a great deal of uncertainty for investment and leading to widespread scaling back of company spending plans. When our customers have constrained spending, this has a knock-on impact on the ability to grow our business. Another risk is that the forthcoming 26th Conference of the Parties in Glasgow (COP26) fails to result in any material global deal to combat climate change, or that following it there is the sense that less urgency is needed for tackling the issues. While unlikely either outcome could negatively impact the market conditions for sustainability reporting which are currently extremely favourable.

ECOMETRICA LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial key performance indicators

The group results for the year, after taxation and the downwards revaluation of intangible fixed assets in the year of £1,858,475 (2020 - £1,183,279), amounted to a loss of £804,240 (2020 – loss of £319,398). At the reporting date, the group had shareholders' funds of £13,045,881 (2020 - £13,877,559).

This report was approved by the board on Sep 10, 2021
on its behalf.

and signed



Gary Davis [Sep 10, 2021 14:21 GMT+1]

.....
Gary J M Davis
Director

ECOMETRICA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The principal activities of the group continue to be the assessment of corporate and product greenhouse gas (GHG) emissions, the assessment and monitoring of ecosystems, handling advanced sets of "Big Data" environmental data and providing policy advice to business and governments.

Carbon trading position

The group recognises its effect on the environment by accounting for the tonnes of carbon dioxide equivalent released by the group during the year using the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol Corporate Standard and recognising any offsets purchased during the year. These are given a financial value by assessing the price of carbon as at 31 March 2021. The carbon trading account and balance sheet are set out below.

	31 March 2021		31 March 2020	
Carbon trading account	(tCO ₂ e/yr)		(tCO ₂ e/yr)	
	£		£	
Carbon offsets purchased	400		210	
CO ₂ e released during the year (scopes 1-3)	(66)		(190)	
Net carbon capture	334		20	
	31 March 2021		31 March 2020	
	(tCO ₂ e/yr)	£	(tCO ₂ e/yr)	£
Carbon balance sheet				
Price of carbon	1	11.06	1	10.19
Intangible carbon liability bf	(287)	(2,924.53)	(307)	(2,910.36)
Carbon price change	-	(249.69)	-	(217.97)
Adjusted carbon liability bf	(287)	(3,174.22)	(307)	(3,128.33)
Net carbon capture in year	334	3,696.47	20	203.80
Intangible carbon asset/(liability) cf	<u>47</u>	<u>522.25</u>	<u>(287)</u>	<u>(2,924.53)</u>

We purchased 2 carbon offsets during the year and 1 carbon offset post year end:

- 200 tCO₂e on 1 April 2020, certificate ZM201864 in the Plan Vivo Trees for Global Benefit, Uganda
- 200 tCO₂e on 1 April 2020, certificate ZM201865 in the Plan Vivo Scolelte, Mexico
- 200 tCO₂e on 16 April 2021, certificate ZM202087 in the Plan Vivo Scolelte, Mexico

ECOMETRICA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Results and dividends

The profit for the year, after taxation, amounted to £841,875 (2020 - £1,166,520).

The company issued 50 Ordinary shares and repurchased 469 Ordinary shares during the year as disclosed in note 26 of the financial statements.

No dividends were paid in the current or prior year.

Directors

The directors who served during the year were:

Gary J M Davis
Paul G J A Simon
Dr Richard M Tipper
Andrew P Muir
Bertrand J Revenaz

Research and development activities

The group carries out research and development activities in relation to its principal activities noted on page 3.

Matters covered in the strategic report

The business review, principal risks and uncertainties and financial key performance indicators are included within the group strategic report.

This report was approved by the board on Sep 10, 2021 and signed on its behalf.



Gary Davis (Sep 10, 2021 14:21 GMT+1)

Gary J M Davis
Director

ECOMETRICA LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ECOMETRICA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

In accordance with our engagement letter and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the company for the year ended 31 March 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the related notes from the company's accounting records and from information and explanations you have given to us.

As a practicing member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance/.

Respective responsibilities of directors and accountants

You have acknowledged on the balance sheet for the year ended 31 March 2021 your duty to ensure that the company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that the company is exempt from the statutory requirement for an audit for the year.

This report is made solely to the Board of directors of Ecometrica Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Board of directors, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the company and its Board of directors, as a body, for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of Ecometrica Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

The group's intangible assets, relating to development costs were revalued by the directors during the year to their estimated market value of £16,039,066. Under FRS 102, classes of intangible assets are permitted to be held at fair value where reference can be made to an active market. This criteria severely limits the types of assets for which this would be possible and we do not consider that an active market exists in this case. The directors are confident however, that the revised carrying value of the asset concerned within the financial statements is a more appropriate reflection of its current and future value in the group.

Share options have been granted to certain employees (including directors) of the group. The options qualify as an Enterprise Management Incentive ("EMI") and have been granted as part of a plan to incentivise, recruit and retain employees. As the options are not considered by the directors to be remuneration, which is in accordance with the terms of the EMI schemes agreed with HMRC, the share options have not been accounted for in accordance with FRS 102, which requires entities to recognise an expense, measured at fair value, in respect of the share-based payments they make.

Mazars LLP

Fiona Martin (Sep 10, 2021 14:53 GMT+1)

Mazars LLP
Chartered Accountants
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Sep 10, 2021

ECOMETRICA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	2,3,4	2,615,664	6,499,872
Cost of sales		(753,485)	(3,863,005)
Gross profit		<u>1,862,179</u>	<u>2,636,867</u>
Administrative expenses		(1,130,345)	(1,527,253)
Other operating income	6	120,174	5,386
Operating profit	7	<u>852,008</u>	<u>1,115,000</u>
Interest receivable and similar income	11	63	172
Interest payable and expenses	12	(61,262)	(72,562)
Profit before taxation		<u>790,809</u>	<u>1,042,610</u>
Tax on profit	13	51,066	123,910
Profit for the financial year		<u>841,875</u>	<u>1,166,520</u>
Other comprehensive income:			
Fair value movements in respect of intangible fixed assets	14	(1,858,475)	(1,183,279)
Deferred tax relating to fair value movements	24	206,600	(295,100)
Foreign exchange translation differences		5,760	(7,539)
Other comprehensive income for the year		<u>(1,646,115)</u>	<u>(1,485,918)</u>
Total comprehensive income for the year		<u>(804,240)</u>	<u>(319,398)</u>
Profit for the year attributable to:			
Owners of the parent company		<u>841,875</u>	<u>1,166,520</u>
Total comprehensive income for the year attributable to:			
Owners of the parent company		<u>(804,240)</u>	<u>(319,398)</u>

The notes on pages 16 to 37 form part of these financial statements.

ECOMETRICA LIMITED
REGISTERED NUMBER: SC339323

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible fixed assets	14		16,039,066		17,208,122
Tangible fixed assets	16		23,339		24,979
			<u>16,062,405</u>		<u>17,233,101</u>
Current assets					
Debtors: amounts falling due within one year	18	760,027		921,978	
Cash and cash equivalents	19	1,216,001		1,150,898	
		<u>1,976,028</u>		<u>2,072,876</u>	
Creditors: amounts falling due within one year	20	(574,202)		(1,925,827)	
Net current assets			<u>1,401,826</u>		<u>147,049</u>
Total assets less current liabilities			<u>17,464,231</u>		<u>17,380,150</u>
Creditors: amounts falling due after more than one year	21		(1,165,523)		(36,113)
Provisions for liabilities					
Deferred taxation	24	(2,332,946)		(2,525,408)	
			<u>(2,332,946)</u>		<u>(2,525,408)</u>
Accruals and deferred income	25		(919,881)		(941,070)
Net assets			<u>13,045,881</u>		<u>13,877,559</u>
Capital and reserves					
Called up share capital	26		112,113		112,532
Share premium account	27		2,528,633		2,526,433
Capital redemption reserve	27		469		-
Foreign exchange reserve	27		(35,058)		(40,818)
Other reserves	27		8,142,303		9,794,178
Profit and loss account	27		2,297,421		1,485,234
Equity attributable to owners of the parent company			<u>13,045,881</u>		<u>13,877,559</u>

ECOMETRICA LIMITED
REGISTERED NUMBER: SC339323

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 company's financial statements have been prepared in accordance with the 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 on
Sep 10, 2021



Gary Davis (Sep 10, 2021 14:21 GMT+1)

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Gary J M Davis
Director

ECOMETRICA LIMITED
REGISTERED NUMBER: SC339323

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible fixed assets	14		16,039,066		17,208,122
Tangible fixed assets			17,120		14,542
Investments	17		175,247		175,247
			<u>16,231,433</u>		<u>17,397,911</u>
Current assets					
Debtors: amounts falling due within one year	18	586,367		629,696	
Cash and cash equivalents	19	947,511		1,091,573	
		<u>1,533,878</u>		<u>1,721,269</u>	
Creditors: amounts falling due within one year	20	(838,707)		(1,974,917)	
Net current assets/(liabilities)			695,171		(253,648)
Total assets less current liabilities			<u>16,926,604</u>		<u>17,144,263</u>
Creditors: amounts falling due after more than one year	21		(1,165,523)		(36,113)
Provisions for liabilities					
Deferred taxation	24	(2,589,500)		(2,796,100)	
			<u>(2,589,500)</u>		<u>(2,796,100)</u>
Accruals and deferred income	25		(559,248)		(609,788)
Net assets			<u>12,612,333</u>		<u>13,702,262</u>
Capital and reserves					
Called up share capital	26		112,113		112,532
Share premium account	27		2,528,633		2,526,433
Capital redemption reserve	27		469		-
Revaluation reserve	27		8,142,303		9,794,178
Profit and loss account	27		1,828,815		1,269,119
			<u>12,612,333</u>		<u>13,702,262</u>

ECOMETRICA LIMITED
REGISTERED NUMBER: SC339323

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 company's financial statements have been prepared in accordance with the 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 on
Sep 10, 2021



Gary Davis (Sep 10, 2021 14:21 GMT+1)

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Gary J M Davis
Director

ECOMETRICA LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2020	112,532	2,526,433	-	(40,818)	9,794,178	1,485,234	13,877,559
Profit for the year	-	-	-	-	-	841,875	841,875
Deferred tax on revaluation	-	-	-	-	206,600	-	206,600
Translation differences	-	-	-	5,760	-	-	5,760
Revaluation deficit	-	-	-	-	(1,858,475)	-	(1,858,475)
Purchase of own shares	-	-	469	-	-	(29,688)	(29,219)
Shares issued during the year	50	2,200	-	-	-	-	2,250
Shares cancelled during the year	(469)	-	-	-	-	-	(469)
At 31 March 2021	112,113	2,528,633	469	(35,058)	8,142,303	2,297,421	13,045,881

The notes on pages 16 to 37 form part of these financial statements.

ECOMETRICA LIMITED

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

	Called up share capital	Share premium account	Foreign exchange reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	112,355	2,518,114	(33,279)	11,272,557	318,714	14,188,461
Profit for the year	-	-	-	-	1,166,520	1,166,520
Deferred tax on revaluation	-	-	-	(295,100)	-	(295,100)
Translation differences	-	-	(7,539)	-	-	(7,539)
Revaluation deficit	-	-	-	(1,183,279)	-	(1,183,279)
Shares issued during the year	177	8,319	-	-	-	8,496
At 31 March 2020	<u>112,532</u>	<u>2,526,433</u>	<u>(40,818)</u>	<u>9,794,178</u>	<u>1,485,234</u>	<u>13,877,559</u>

The notes on pages 16 to 37 form part of these financial statements.

ECOMETRICA LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2020	112,532	2,526,433	-	9,794,178	1,269,119	13,702,262
Profit for the year	-	-	-	-	589,384	589,384
Deferred tax on revaluation	-	-	-	206,600	-	206,600
Revaluation deficit	-	-	-	(1,858,475)	-	(1,858,475)
Purchase of own shares	-	-	469	-	(29,688)	(29,219)
Shares issued during the year	50	2,200	-	-	-	2,250
Shares cancelled during the year	(469)	-	-	-	-	(469)
At 31 March 2021	<u>112,113</u>	<u>2,528,633</u>	<u>469</u>	<u>8,142,303</u>	<u>1,828,815</u>	<u>12,612,333</u>

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	112,355	2,518,114	11,272,557	337,779	14,240,805
Profit for the year	-	-	-	931,340	931,340
Deferred tax on revaluation	-	-	(295,100)	-	(295,100)
Revaluation deficit	-	-	(1,183,279)	-	(1,183,279)
Shares issued during the year	177	8,319	-	-	8,496
At 31 March 2020	<u>112,532</u>	<u>2,526,433</u>	<u>9,794,178</u>	<u>1,269,119</u>	<u>13,702,262</u>

The notes on pages 16 to 37 form part of these financial statements.

ECOMETRICA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	841,875	1,166,520
Adjustments for:		
Depreciation of tangible fixed assets	21,369	40,984
Loss on disposal of tangible fixed assets	67	-
Exchange differences	5,760	(7,539)
Interest paid	61,262	72,562
Interest received	(63)	(172)
Deferred tax charge	14,138	(5,927)
Decrease in debtors	26,926	1,020,113
Decrease in creditors	(614,263)	(229,390)
Corporation tax	135,024	(24,350)
Net cash generated from operating activities	<u>492,095</u>	<u>2,032,801</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(689,419)	(953,809)
Purchase of tangible fixed assets	(19,775)	(3,190)
Interest received	63	172
Net cash from investing activities	<u>(709,131)</u>	<u>(956,827)</u>
Cash flows from financing activities		
Issue of Ordinary shares	2,250	8,496
Purchase of ordinary shares	(29,688)	-
New secured bank loan	800,000	-
Repayment of bank loans	(169,486)	(201,861)
Other loans obtained	-	389,759
Repayment of other loans	(259,675)	(85,860)
Interest paid	(61,262)	(72,562)
Net cash used in financing activities	<u>282,139</u>	<u>37,972</u>
Net increase in cash and cash equivalents	<u>65,103</u>	<u>1,113,946</u>
Cash and cash equivalents at beginning of year	1,150,898	36,952
Cash and cash equivalents at the end of year	<u>1,216,001</u>	<u>1,150,898</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,216,001</u>	<u>1,150,898</u>

ECOMETRICA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(i) Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,150,898	65,103	1,216,001
Debt due within 1 year	(971,823)	758,571	(213,252)
Debt due after 1 year	(36,113)	(1,129,410)	(1,165,523)
	<u>142,962</u>	<u>(305,736)</u>	<u>(162,774)</u>

The notes on pages 16 to 37 form part of these financial statements.

ECOMETRICA LIMITED

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

1. General information

Ecometrica Limited (registered number SC339323) whose registered office is at Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS is a company registered in Scotland and incorporated on 11 March 2008.

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 group has adequate funding in place and the directors remain positive about the future of both the UK and North America markets. The directors also remain committed to their Canadian R&D Centre, UK H.Q. and London and US Operations which they expect to grow over time. The COVID-19 pandemic has had significant implications for the global economy. It remains to be seen what form the recovery takes, how long it takes, and just how green it might be but whatever form it takes, the directors are confident that the group can play a full and active part in it to give business, government and society the best environmental monitoring tools available. During the year end, the group secured a CBILS loan of £800,000 with Clydesdale Bank Plc. The directors are therefore satisfied that it is appropriate to adopt the going concern basis of accounting.

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 judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the financial statements of Ecometrica Limited and its subsidiary undertakings ("subsidiaries") drawn up to 31 March 2021 using acquisition accounting. Intra-group sales and profits are eliminated fully on consolidation.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

2.3 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.

Specifically, the group accounts for and realises revenue on SaaS software contracts when the service is delivered, and holds the pre-paid elements of any licence as deferred income in line with general practice for software sales of this nature.

2.4 Intangible fixed assets

Development costs are capitalised within intangible fixed assets where they can be identified with a specific product or project anticipated to produce future benefits.

Capitalised development costs were revalued by the directors during the year to their estimated market value of £16,039,066. Under FRS 102, classes of intangible fixed assets are permitted to be held at fair value where reference can be made to an active market. This criteria severely limits the types of assets for which this would be possible. The directors are confident however, that the revised carrying value of the assets concerned within the financial statements is a more appropriate reflection of its current and future value in the group.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Other intangible fixed assets are recognised at cost.

The directors reviewed the accounting policies applied by the group during the prior year. As a result of this review they concluded that amortising the intangible fixed assets relating to development costs is not appropriate on the basis of the on going development of these assets. Once this development stage has fully concluded and the assets are mature, a policy of amortisation will commence.

Trademarks are amortised over a period of 3 years.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Computer equipment	- 33% straight line
Fixtures and fittings	- 20% straight line
Equipment	- 33% 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.

2.6 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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

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 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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

2.11 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.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

2.13 Foreign currency translation

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 within 'finance income or costs'. All other foreign exchange gains and losses are 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.

2.14 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.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

2.15 Pensions

Defined contribution 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 the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.16 Interest income

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

2.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

ECOMETRICA LIMITED

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

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting 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 statement of financial position 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 reporting date.

2.20 Research and development

Development costs are capitalised within intangible fixed assets where they can be identified with a specific product or project anticipated to produce future benefits.

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the consolidated statement of comprehensive income.

All research and other development costs are written off as incurred.

ECOMETRICA LIMITED

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

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

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgments, 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Capitalised development costs were revalued by the directors during the year to their estimated market value of £16,039,066. Under FRS 102, classes of intangible fixed assets are permitted to be held at fair value where reference can be made to an active market. This criteria severely limits the types of assets for which this would be possible. The directors are confident however, that the revised carrying value of the assets concerned within the financial statements is a more appropriate reflection of their current and future value in the group.

In the opinion of the directors, there are no other key sources of estimation uncertainty involved in the preparation of the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Environmental data analysis and advisory	<u>2,615,664</u>	<u>6,499,872</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	1,843,000	5,751,257
Rest of the world	772,664	748,615
	<u>2,615,664</u>	<u>6,499,872</u>

5. EBITDA

Group EBITDA for the year is £873,354 (2020 - £1,155,984). EBITDA is calculated as operating profit plus the depreciation charge for the year of £21,346 (2020 - £40,984).

ECOMETRICA LIMITED

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

6. Other operating income

	2021 £	2020 £
Grant income	120,174	4,655
Sundry income	-	731
	<u>120,174</u>	<u>5,386</u>

Included within sundry income is £nil (2020 - £731) of R&D tax credit receivable which is in relation to the SMART grant funded project and is being claimed under the above the line scheme.

7. Operating profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	21,346	40,984
Exchange differences	26,438	(1,051)
Operating lease rentals for land and buildings	<u>98,858</u>	<u>81,757</u>

8. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Senior management	3	4
Scientists	11	15
Developers	7	11
Sales	2	5
Administration	6	6
	<u>29</u>	<u>41</u>

ECOMETRICA LIMITED

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

9. Key management remuneration, including directors

	2021 £	2020 £
Remuneration of key management, including directors	<u>347,820</u>	<u>411,466</u>

The highest paid director received remuneration of £89,387 (2020 - £98,643).

10. Share options and warrants

Share options and warrants have been granted to employees (including directors) of the group. Details are provided in the following tables.

EMI staff options pool

EMI qualifying options have been granted as follows:

	Brought forward No.	Exercised in year No.	Carry forward No.	Exercise price £
Date of grant - 20/05/2011	674	-	674	45
Date of grant - 14/10/2011	1,010	-	1,010	45
Date of grant - 18/05/2012	958	-	958	45
Date of grant - 18/06/2014	1,404	-	1,404	45
Date of grant - 30/09/2015	2,374	(50)	2,324	45
Date of grant - 31/03/2016	2,500	-	2,500	45

The options vest immediately and are exercisable whilst the holder is an employee of the company until the earlier of the 10th anniversary of their date of grant or following completion of an exit event. The last date for exercise of each tranche is 20/05/2021, 14/10/2021, 18/05/2022, 18/06/2024, 30/09/2025 and 31/03/2026 respectively.

ECOMETRICA LIMITED

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

10. Share options and warrants (continued)

EMI cross options

EMI qualifying options have been granted as follows:

	Brought forward No.	Carry forward No.	Exercise price £
Date of grant - 24/01/2013	4,150	4,150	45
Date of grant - 01/08/2015	90	90	45
Date of grant - 31/03/2015	4,849	4,849	45

The options vest immediately and are exercisable whilst the holder is an employee of the company until the earlier of the 10th anniversary of their date of grant or following completion of an exit event. The last date for exercise of each tranche is 24/01/2023, 01/08/2025 and 31/03/2025 respectively.

Warrants

Warrants have been granted as follows:

	Brought forward No.	Expired in year No.	Carried forward No.	Exercise price £
Date of grant - 31/05/2013	1,693	(1,693)	-	48

The warrants vest immediately and are exercisable whilst the holder is an ordinary shareholder until the earlier of the 7th anniversary of their date of grant or following completion of an exit event. The last date for exercise of the remaining tranche was 31/05/2020.

11. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>63</u>	<u>172</u>

12. Interest payable and similar expenses

	2021 £	2020 £
Bank and other loan interest payable	61,262	72,518
Other interest payable	-	44
	<u>61,262</u>	<u>72,562</u>

ECOMETRICA LIMITED

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

13. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(140,491)	(194,053)
Adjustments in respect of previous periods	-	17,228
Foreign tax		
Foreign tax on income for the year	75,287	58,446
Total current tax	<u>(51,066)</u>	<u>(118,379)</u>
Deferred tax		
Origination and reversal of timing differences	14,138	(5,531)
Total deferred tax	<u>14,138</u>	<u>(5,531)</u>
Taxation on profit on ordinary activities	<u><u>(51,066)</u></u>	<u><u>(123,910)</u></u>

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>790,809</u>	<u>1,042,610</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	150,254	198,096
Effects of:		
Expenses not deductible for tax purposes	39	5,668
Fixed asset differences	(106,902)	(230,124)
Adjustments in respect of prior periods	-	17,228
Other differences leading to a decrease in taxation	(15,028)	(26,175)
Additional deduction for R&D expenditure	(123,029)	(210,896)
Surrender of tax losses for R&D tax credit refund	43,600	60,223
Deferred tax movements	-	62,070
Total tax credit for the year	<u><u>(51,066)</u></u>	<u><u>(123,910)</u></u>

ECOMETRICA LIMITED

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

13. Taxation (continued)

Factors that may affect future tax charges

The UK Budget 2020 on 3 March 2021 announced that the rate of corporation tax would be increased to 25% with effect from 1 April 2023. Legislation is intended to be included in the Finance Bill 2021 to this effect.

14. Intangible fixed assets

Group and Company

	Research and development costs £
Cost	
At 1 April 2020	17,208,122
Additions	689,419
Revaluation deficit	(1,858,475)
At 31 March 2021	<u>16,039,066</u>
Net book value	
At 31 March 2021	<u>16,039,066</u>
At 31 March 2020	<u>17,208,122</u>

During the year, the intangible fixed assets relating to development costs were revalued to their estimated market value by the directors of £16,039,066 (2020 - £17,208,122). It is the view of the group's directors that the net realisable income after maintenance costs should be measured and then a capital value ascribed to the asset equivalent to that which would provide a 11% yield were an outside provider of capital to buy the asset outright and own it purely as an investment. 11% was chosen as a mid-range return on an alternative asset such as property, collectibles or a structured product. It is a risk adjusted rate of return for a software licence and there is a premium offered by any growth in licensing fees.

ECOMETRICA LIMITED

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

15. Parent company profit for the year

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 profit after tax of the parent company for the year was £589,384 (2020 - £931,340).

16. Tangible fixed assets

Group

	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2020	108,890	150,455	259,345
Additions	19,263	512	19,775
Disposals	(996)	-	(996)
At 31 March 2021	<u>127,157</u>	<u>150,967</u>	<u>278,124</u>
Depreciation			
At 1 April 2020	92,568	141,798	234,366
Charge for the year on owned assets	17,586	3,760	21,346
Disposals	(927)	-	(927)
At 31 March 2021	<u>109,227</u>	<u>145,558</u>	<u>254,785</u>
Net book value			
At 31 March 2021	<u>17,930</u>	<u>5,409</u>	<u>23,339</u>
At 31 March 2020	<u>16,322</u>	<u>8,657</u>	<u>24,979</u>

ECOMETRICA LIMITED

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

16. Tangible fixed assets (continued)

Company

	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2020	65,480	140,227	205,707
Additions	17,900	412	18,312
Disposals	(995)	-	(995)
At 31 March 2021	<u>82,385</u>	<u>140,639</u>	<u>223,024</u>
Depreciation			
At 1 April 2020	58,262	132,903	191,165
Charge for the year on owned assets	12,329	3,337	15,666
Disposals	(927)	-	(927)
At 31 March 2021	<u>69,664</u>	<u>136,240</u>	<u>205,904</u>
Net book value			
At 31 March 2021	<u>12,721</u>	<u>4,399</u>	<u>17,120</u>
At 31 March 2020	<u>7,218</u>	<u>7,324</u>	<u>14,542</u>

ECOMETRICA LIMITED

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

17. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2020	175,247
At 31 March 2021	<u>175,247</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Ecometrica (Canada) Limited	Canada	Ordinary	100%
Ecometrica USA Inc.	USA	Ordinary	100%

The principal activity of Ecometrica (Canada) Limited is the provision of environmental data and innovative software platforms and the principal activity of Ecometrica USA Inc. is the provision of sales representation services to Ecometrica (Canada) Limited.

ECOMETRICA LIMITED

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

18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	470,186	544,624	241,591	237,281
Amounts owed by subsidiary undertaking (note 29)	-	-	55,460	55,460
Other debtors	7,793	11,408	7,796	11,409
Prepayments and accrued income	177,307	126,181	141,029	123,790
Tax recoverable	104,741	239,765	140,491	201,756
	<u>760,027</u>	<u>921,978</u>	<u>586,367</u>	<u>629,696</u>

19. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>1,216,001</u>	<u>1,150,898</u>	<u>947,511</u>	<u>1,091,573</u>

20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loan (note 22)	178,184	704,037	178,184	704,037
Other loans (note 22)	35,068	267,786	35,068	267,786
Trade creditors	119,898	785,404	117,822	775,620
Amounts owed to subsidiary undertaking (note 29)	-	-	305,560	73,620
Other taxation and social security	160,696	109,584	151,357	105,372
Other creditors	21,997	20,759	-	19,901
Accruals and deferred income	58,359	38,257	50,716	28,581
	<u>574,202</u>	<u>1,925,827</u>	<u>838,707</u>	<u>1,974,917</u>

ECOMETRICA LIMITED

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

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loan (note 22)	1,156,367	-	1,156,367	-
Other loans (note 22)	9,156	36,113	9,156	36,113
	<u>1,165,523</u>	<u>36,113</u>	<u>1,165,523</u>	<u>36,113</u>

22. Bank and other loans

The bank and other loans are repayable as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	178,184	704,037	178,184	704,037
Other loans	35,068	267,786	35,068	267,786
	<u>213,252</u>	<u>971,823</u>	<u>213,252</u>	<u>971,823</u>
Amounts falling due 1-2 years				
Bank loans	978,183	-	978,183	-
Other loans	9,156	36,113	9,156	36,113
	<u>987,339</u>	<u>36,113</u>	<u>987,339</u>	<u>36,113</u>
Amounts falling due 2-5 years				
Bank loan	178,184	-	178,184	-
	<u>1,378,775</u>	<u>1,007,936</u>	<u>1,378,775</u>	<u>1,007,936</u>

The company has 2 bank loans. The first bank loan of £534,551 is repayable in equal monthly instalments, accrues interest at a rate of 7% per annum above the bank's base rate and is secured by way of a floating charge over the assets of Ecometrica Limited.

The second bank loan is a CBIL bank loan of £800,000 obtained in the current year. The loan is interest free for the first 12 months with no repayments due in this period. After this initial 12 month period, the loan accrues interest at a rate of 7% per annum above the bank's base rate and is due for repayment in full on the second anniversary after drawdown.

£44,224 (2020 - £69,449) of the other loans balance relates to a loan from BE Group Debt Finance LP. The loan accrues interest at a rate of 7% per annum and is unsecured. The remaining other loans balance of £nil (2020 - £234,450) relates to loans from various directors and shareholders (see note 29). The individuals accrue interest at a rate of 7% per annum. The loans are unsecured.

ECOMETRICA LIMITED

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

23. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets representing bank and cash	1,216,001	1,150,898	947,511	1,091,573
Financial assets that are debt instruments measured at amortised cost	760,027	921,978	586,367	629,696
	<u>1,976,028</u>	<u>2,072,876</u>	<u>1,533,878</u>	<u>1,721,269</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(2,659,606)</u>	<u>(2,903,010)</u>	<u>(2,563,478)</u>	<u>(2,620,818)</u>

ECOMETRICA LIMITED

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

24. Deferred taxation

Group	2021 £	2020 £
At beginning of year	(2,525,408)	(2,236,235)
Movement in the year - profit and loss	(14,138)	5,927
Movement in the year - other comprehensive income	206,600	(295,100)
At end of year	<u><u>(2,332,946)</u></u>	<u><u>(2,525,408)</u></u>
Company		
	2021 £	2020 £
At beginning of year	(2,796,100)	(2,536,300)
Movement in the year - profit and loss	-	35,300
Movement in the year - other comprehensive income	206,600	(295,100)
At end of year	<u><u>(2,589,500)</u></u>	<u><u>(2,796,100)</u></u>

The provision for deferred taxation, which is calculated based on a tax rate of 19% (2020 - 19%), is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(2,924,800)	(3,131,400)	(2,924,800)	(3,131,400)
Tax losses carried forward	591,854	605,992	335,300	335,300
	<u><u>(2,332,946)</u></u>	<u><u>(2,525,408)</u></u>	<u><u>(2,589,500)</u></u>	<u><u>(2,796,100)</u></u>

The UK Budget 2020 on 3 March 2021 announced that the rate of corporation tax would be increased to 25% with effect from 1 April 2023. Legislation is intended to be included in the Finance Bill 2021 to this effect. The effect of this change would be to increase the parent company deferred tax liability at 31 March 2021 by approximately £818,000. This has not been enacted into statute yet therefore the rate provided by substantially enacted law has been applied.

ECOMETRICA LIMITED

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

25. Accruals and deferred income

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income	<u>919,881</u>	<u>941,070</u>	<u>559,248</u>	<u>609,788</u>

26. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
112,113 (2020 - 112,532) Ordinary shares of £1.00 each	<u>112,113</u>	<u>112,532</u>

In the current year, the company issued 50 additional Ordinary shares, each with a par value of £1. These shares were issued upon EMI options being exercised (see note 10). Consideration of £45 per share was received in respect of these shares.

The company also repurchased 469 ordinary shares for £29,688 which were subsequently cancelled.

In the prior year, the company issued 177 additional Ordinary shares, each with a par value of £1. These shares were issued upon warrants being exercised (see note 10). Consideration of £48 per share was received in respect of these shares.

27. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Foreign exchange reserve

This reserve records the translation differences arising on consolidation of the subsidiaries.

Revaluation reserve

The revaluation reserve represents surplus on the revaluation of intangible fixed assets.

Profit & loss account

The profit and loss account includes all current and prior periods retained profits and losses.

ECOMETRICA LIMITED

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

28. Commitments under operating leases

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 £
Land and buildings				
Not later than 1 year	86,188	97,689	58,237	70,237
Later than 1 year and not later than 5 years	199,446	283,639	115,593	173,830
	<u>285,634</u>	<u>381,328</u>	<u>173,830</u>	<u>244,067</u>

29. Related party transactions

The company has taken advantage of the exemptions granted by FRS 102 from the requirement to make disclosures concerning related parties within the group on the grounds that consolidated financial statements are prepared.

Details of transactions with key management personnel are set out in note 9 above.

During the year, loan funding of £nil (2020 - £143,000) was obtained from 2 shareholders in the company. At the year end, a balance of £nil (2020 - £142,743), included within other loans, was outstanding. Capital repayments of £142,743 (2020 - £5,638) were made during the year, with £1,840 (2020 - £5,381) of interest charged.

During the year, loan funding of £nil (2020 - £146,759) was obtained from 3 directors of the company. At the year end, a balance of £nil (2020 - £91,707), included within other loans, was outstanding. Capital repayments of £91,707 (2020 - £59,492) were made during the year, with £1,029 (2020 - £4,440) of interest charged.

These loans accrue interest at a rate of 7% per annum and are unsecured.

During the year, sales of £60,231 (2020 - £35,984) were made to Resilience Constellation Management Limited. Expenses of £nil (2020 - £1,256) were also recharged. At year end, a balance of £nil (2020 - £6,000) was due from Resilience Constellation Management Limited and is included in trade debtors. Resilience Constellation Management Limited is a related party through common directorship.

30. Post balance sheet events

There have been no significant events affecting the group since the year end.

31. Controlling party

In the opinion of the directors, there is no ultimate controlling party.