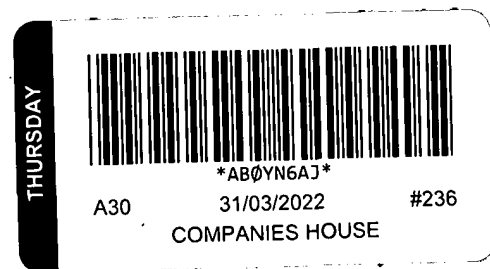


REGISTERED NUMBER: 08822710 (England and Wales)

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
MENIGA LIMITED**



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for the Year Ended 31 March 2021**

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**COMPANY INFORMATION**  
**for the Year Ended 31 March 2021**

**DIRECTORS:**

A O Asgeirsson  
S Gunnarsdottir  
W A Willemstein  
A Jonsson  
H Magnusdottir  
A K Ljungdahl

**REGISTERED OFFICE:**

10 John Street  
London  
WC1N 2EB

**REGISTERED NUMBER:**

08822710 (England and Wales)

**AUDITORS:**

Oury Clark Chartered Accountants  
Statutory Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire  
SL1 1PG

**GROUP STRATEGIC REPORT  
for the Year Ended 31 March 2021**

The directors present their strategic report of the Company and Group for the year ended 31 March 2021.

Meniga's main operation is the production, marketing, and sale of software solutions for financial institutions (Digital Banking) as well as other related value-added services, including cash back rewards and sales of data and services related to its solutions and services.

Meniga is a leading provider of digital banking solutions for financial institutions, primarily focusing on European markets. Meniga licenses its software solutions to financial institutions and provides services and solutions that enable financial institutions' customers to better manage their finances, improve their customer relationships through digital banking and leverage engagement to cross-sell, improve customer retention and satisfaction, as well as attract new business and create new revenue streams.

Through its solution, Meniga promotes a mutually beneficial ecosystem of consumers, banks, and merchants. In addition to selling Digital Banking solutions, Meniga partners with banks to promote other value-added services. These services include merchant-funded offers to digital banking users in select countries (Rewards) and selling of consumer data analytics reports to merchants (Analytics). For the Rewards program, Meniga is pursuing a revenue share business model. The Company receives part of the fees paid by merchants for every successfully converted offer and subscription revenue for the Analytics solution; merchants pay a subscription-based fee directly to Meniga.

**BUSINESS ENVIRONMENT**

The year ending 31 March 2021 was a year of volatility in international business due to the Covid-19 pandemic, which had a negative effect on Meniga's operations. However, the Company identified new opportunities to increase its efficiency. The Company was able to go live with its software solutions with multiple customers even though on-site travel was impossible and with employees primarily working from home. The Board also took several cost-saving initiatives, including furloughing employees and temporary reduction in work ratio.

Demand for Meniga's products started to ramp up again towards the end of the year after the slowdown relating to Covid-19. Carbon Insights is gaining significant momentum and is expected to be a key driver for recurring revenue growth in the coming years. The general business environment for Meniga's solutions remains strong, with a positive long-term outlook as banks continue to invest in improving their digital banking platform and enhance customer engagement via digital channels.

**PRINCIPAL RISKS AND UNCERTAINTIES**

There are several risks and uncertainties that Meniga is subject to, many of which are outside its control. These risks and uncertainties are not unique to Meniga but are also relevant to its competitors. These include regulatory, market, liquidity, currency, and operational risk, as outlined below. In addition, Meniga faces legal and operational risks when it implements its software with banks, competition with other Digital Banking solution providers, and long sales cycles.

**Regulatory risk**

Meniga faces regulatory risk in its business, mainly related to changes to laws and regulations addressing data protection and the use of personal information. The Company's policy is to maintain a Data Protection Officer (DPO) position and carefully monitor regulatory changes and implications to Meniga's business model.

**Market risk**

Meniga's business is subject to market risk, including the global recession, financial crisis, political turmoil, and terrorism. Any of these market risks could negatively affect Meniga's customer buying behaviour, including the potential for banks to invest less in their digital banking solutions. The Covid-19 pandemic negatively affected sales results for the first half of this year.

The Company's customer portfolio is well-diversified geographically, with customers in over 30 countries. Most of Meniga's customers are in Western Europe, with several customers in other continents. Meniga is actively pursuing opportunities in other parts of the world to further diversify and with the collateral effect of continuing to spread geographical market risk. Meniga continues to invest in sales, marketing, research and development activities, to keep its products competitive.

**GROUP STRATEGIC REPORT**  
for the Year Ended 31 March 2021

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

**Liquidity risk**

Meniga is well funded but could face liquidity risks if it is unable to achieve meaningful new sales.

Meniga is working with financial institutions to ensure it has access to short-term credit to help manage cash-flow fluctuations and reduce liquidity risks. Furthermore, Meniga is a venture-backed company, which has raised significant amounts in equity and equity-like instruments. Meniga will consider raising additional funds, if necessary, to strengthen its balance sheet.

**Currency risk**

A significant part of Meniga's revenues is in Euros, while the bulk of the expenses are in Icelandic Krona, Swedish Krona and British Pounds. Therefore, fluctuations in currency exchange rates may have a material effect on Meniga's financial performance. There is no guarantee that Meniga can compensate or hedge against such developments.

Meniga carefully monitors the development of exchange rates on an ongoing basis and continues to increase its expenses in Euros as a percentage of overall costs.

**Operational risk**

Meniga's operation is constantly faced with several types of risks, including:

- a) People Risk. We rely on highly skilled technical staff, which are often in high demand. Risks related to hiring and retaining employees may limit the Company's ability to grow, perform R&D and deliver our solution to our customers.
- b) Cyber Risk. Meniga's systems process sensitive financial data for banks worldwide, and in Iceland, Meniga operates a B2C personal finance management application containing users' financial data. Meniga's systems and solutions are exposed to cyber risk related to hacking and data leaks - which could cause Meniga to be liable to pay extensive damages and may also severely negatively affect Meniga's reputation.
- c) Intellectual Property Risk. There is a risk that someone will claim that Meniga's software solutions infringe the intellectual property, which, if found valid, could make Meniga liable to pay high damages or royalties as well as be expensive legally.

Meniga employs various strategies to mitigate operational risk:

- Meniga maintains a competitive compensation scheme to help attract and retain employees. Meniga operates an HR department and emphasizes employee satisfaction through various policies, ongoing active employee feedback opportunities, and procedures designed to make Meniga an attractive workplace.
- Meniga maintains an active security policy to mitigate risks, employs security experts and training, and generally employs similar security measures as retail banks in their Digital Banking solutions. Meniga has also taken out insurance against certain types of cyber risks.
- Meniga actively monitors Intellectual Property in Meniga's industry. Meniga also has taken insurance against IP infringement claims.

**GROUP STRATEGIC REPORT**  
**for the Year Ended 31 March 2021**

**BUSINESS PERFORMANCE: 1 APRIL 2020 - 31 MARCH 2021**

Meniga's recurring revenue grew 14.7% to €8m after completing several implementation projects across Europe and Asia, while top-line revenue remained at €11.6m. Meniga continued to invest in developing its Digital Banking and Rewards software solutions which resulted in a €3.6m EBITDA loss. Equity at year-end amounted to negative €6.6m, and net loss was €7.3m. Meniga secured €11.1m in a convertible loan note investment to support continued investment in R&D and business development efforts.


Meniga continued to build new Digital Banking products, including Carbon Insights, which successfully launched with its first customer this year. Further advances were made with the Rewards solutions in software development and market deployment with the rollout of the Rewards solution in the Nordea mobile app at the beginning of the fiscal year.

A change was made in the Company's revenue recognition procedures regarding software licenses, resulting in recognition of all license revenue over time. This better represents the delivery and usage of Meniga's license over an expected lifetime of the products aligned with competitors in the market. The result of this change has considerable effects on the income statement and balance sheet. It also results in a restatement of the figures for the comparative year in the financial statements.

**2020/21 Key Performance Indicators Overview**

- Recurring Revenue: €8m
- Recurring Revenue growth: 14.7%
- Revenue: €11.6m
- EBITDA: €3.6m loss
- Cash balance at year-end: €10.1m

**ON BEHALF OF THE BOARD:**

  
Asgeir Orr Asgeirsson (Mar 31, 2022 14:06 GMT)

.....  
A O Asgeirsson - Director

Date: Mar 31, 2022  
.....

**REPORT OF THE DIRECTORS  
for the Year Ended 31 March 2021**

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

Meniga Limited is a private company limited by shares domiciled in England & Wales with its principal place of business at The Cursitor, 38 Chancery Lane, London, WC2A 1EN.

The Directors consider the individual parent company to be a going concern, despite continuing losses in the parent company, due to the strength of the group as a whole, anticipated future sale contracts, as well as the overall strength of the sales pipeline.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of providing personal finance management system and next-generation online banking solutions.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

A O Asgeirsson  
S Gunnarsdottir  
W A Willemstein  
A Jonsson

Other changes in directors holding office are as follows:

H Magnusdottir - appointed 1 April 2020

A K Ljungdahl was appointed as a director after 31 March 2021 but prior to the date of this report.

U Svensson ceased to be a director after 31 March 2021 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.


MENIGA LIMITED (REGISTERED NUMBER: 08822710)

**REPORT OF THE DIRECTORS**  
for the Year Ended 31 March 2021

**AUDITORS**

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



Asgeir Orr Asgeirsson (Mar 31, 2022 14:06 GMT)

A O Asgeirsson - Director

Date: Mar 31, 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED**

### **Opinion**

We have audited the financial statements of Meniga Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material Uncertainties related to Going Concern**

We draw attention to note 2 in the financial statements which describes uncertainties relating to the ability of the Group to continue as a going concern, as follows.

The Group incurred a net loss of €7.3 million during the year ended 31 March 2021. At that date, the Group's net current asset position was €7.7 million, but the Group had a net deficit on Equity of €6.6 million. The Directors acknowledge that these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors are confident that the Group has sufficient resources available, allowing it to continue as a going concern. Following a review of the Group's current cash position, its liquidity and future cash flow forecasts, the Directors believe that the group has adequate resources to continue in operation for the foreseeable future and for at least 12 months and one day from the date on which the Audit Report is signed. The Group has recently undergone a cost cutting exercise. In addition, the Directors are continuing to explore potential funding opportunities which will strengthen the Group's ability to continue as a going concern.

The Group financial statements have therefore been prepared on the going concern basis and do not contain any adjustments that would be required if the Group was unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is consistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be misstated. If we identify such inconsistencies or apparent misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the parent company and its environment obtained during the course of the audit, we have not identified any matters in the Group Strategic Report or the Report of the Director that are inconsistent with our overall view of the financial statements.

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

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

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED**

### **Auditors' responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Identifying and assessing potential irregularities, including fraud**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Considering the nature of the industry, sector, control environment and current business activities, including possible performance targets and subsequent remuneration.
- Enquiring of management concerning policies and procedures relating to:
  1. Complying with laws and regulations and whether there were any instances of non-compliance,
  2. Mitigating, detecting and responding to fraud risk and whether there has been any actual or possible instances of fraud.
- Discussing within the engagement team and internal specialists where necessary, regarding how and where fraud may occur in the financial statements along with the possible indicators of fraud. We identified the following areas most likely to be susceptible to fraud:
  - Management override
  - Using suppliers not appropriate for the business
  - Employee expense claims
- Discussing within the engagement team and internal specialists where necessary, the legal and regulatory framework in which the company operates and in particular those which would have an impact on the financial statements. The key laws and regulations considered were the Companies Act 2006 and UK tax legislation.

### **Audit response to the risks identified**

As noted above, we identified management override, using suppliers not appropriate for the business and employee expense claims as the areas most likely to be susceptible to fraud. Our procedures to respond to this risk included the following:

- Review of journals posted in the year to ensure there was no evidence of management override;
- Reviewing a sample of suppliers to determine whether the supply and rates charged are reasonable given the business activities;
- Reviewing a sample of employee expense claims to ensure expenses reimbursed are in line with the activities of the business and that expense claims have supporting receipts that have been authorised by management.

Further, we also identified compliance with the Companies Act 2006 and UK tax legislation as being key areas where there may be possible non-compliance. Our procedures to respond to these risks included the following:

- Review the financial statement disclosures and testing to supporting documentation to assess compliance with the Companies Act 2006;
- Safeguard review of the accounts by a qualified accountant not associated with the audit team, and of the corporation tax by a Chartered Tax Adviser;

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MENIGA LIMITED**

The above matters and identified laws and regulations and potential fraud risks were communicated to all engagement team members in order to enable the team to have the ability to identify such risks. The whole team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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

*E Crowley*

E Crowley (Mar 31, 2022 17:42 GMT+1)

Emma Crowley (Senior Statutory Auditor)  
for and on behalf of Oury Clark Chartered Accountants  
Statutory Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire  
SL1 1PG

Date: Mar 31, 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the Year Ended 31 March 2021

	Notes	31.3.21 €	31.3.20 as restated €
<b>CONTINUING OPERATIONS</b>			
Revenue		11,565,732	11,654,883
Other operating income		268,473	-
Administrative expenses		<u>(18,255,411)</u>	<u>(16,954,816)</u>
<b>OPERATING LOSS</b>		(6,421,206)	(5,299,933)
Finance costs	6	(1,198,751)	(713,303)
Finance income	6	<u>29,668</u>	<u>20,968</u>
<b>LOSS BEFORE INCOME TAX</b>	7	(7,590,289)	(5,992,268)
Income tax	8	<u>247,705</u>	<u>556,142</u>
<b>LOSS FOR THE YEAR</b>		<u><u>(7,342,584)</u></u>	<u><u>(5,436,126)</u></u>
Loss attributable to: Owners of the parent		<u><u>(7,342,584)</u></u>	<u><u>(5,436,126)</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the Year Ended 31 March 2021

	31.3.21	31.3.20 as restated
	€	€
<b>LOSS FOR THE YEAR</b>	(7,342,584)	(5,436,126)
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>FOR THE YEAR, NET OF INCOME TAX</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>FOR THE YEAR</b>	<u>(7,342,584)</u>	<u>(5,436,126)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(7,342,584)</u>	<u>(5,436,126)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 March 2021

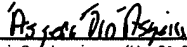
		31.3.21	31.3.20 as restated
	Notes	€	€
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	12	8,437,544	8,532,503
Intangible assets	13	5,197,481	7,886,181
Property, plant and equipment	14	56,959	79,887
Investments	15	-	-
Trade and other receivables	16	626,281	-
Deferred tax	21	190,177	367,567
		<u>14,508,442</u>	<u>16,866,138</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	3,765,807	4,232,870
Tax receivable		485,265	657,331
Cash and cash equivalents	17	10,073,590	5,444,159
		<u>14,324,662</u>	<u>10,334,360</u>
<b>TOTAL ASSETS</b>		<u><u>28,833,104</u></u>	<u><u>27,200,498</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	176,716	175,505
Share premium	19	25,093,769	25,051,090
Forex on consolidation	19	728,527	728,527
Capital reserve consolidation	19	228,320	228,320
Merger relief reserve	19	7,366,746	7,366,746
Other reserves	19	137,069	137,069
Share option reserve	19	774,086	634,420
Retained earnings	19	(41,075,839)	(33,733,255)
<b>TOTAL EQUITY</b>		<u>(6,570,606)</u>	<u>588,422</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	20	28,767,477	19,145,524
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	6,598,910	7,466,552
Tax payable		37,323	-
		<u>6,636,233</u>	<u>7,466,552</u>
<b>TOTAL LIABILITIES</b>		<u>35,403,710</u>	<u>26,612,076</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>28,833,104</u></u>	<u><u>27,200,498</u></u>

The notes form part of these financial statements

**MENIGA LIMITED (REGISTERED NUMBER: 08822710)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**  
**31 March 2021**

The financial statements were approved by the Board of Directors and authorised for issue on Mar 31, 2022..... and were signed on its behalf by:



Asgeir Orr Asgeirsson (Mar 31, 2022 14:06 GMT)


.....  
A O Asgeirsson - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION  
31 March 2021

	Notes	31.3.21 €	31.3.20 as restated €
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	12	-	-
Intangible assets	13	5,197,481	7,796,213
Property, plant and equipment	14	-	-
Investments	15	16,975,331	16,362,124
Trade and other receivables	16	626,281	-
		<u>22,799,093</u>	<u>24,158,337</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	3,602,441	4,414,822
Tax receivable		390,293	596,832
Cash and cash equivalents	17	6,769,819	4,469,136
		<u>10,762,553</u>	<u>9,480,790</u>
<b>TOTAL ASSETS</b>		<u>33,561,646</u>	<u>33,639,127</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	176,716	175,505
Share premium	19	25,093,769	25,051,090
Merger relief reserve	19	7,366,746	7,366,746
Other reserves	19	163,570	163,570
Share option reserve	19	774,086	634,420
Retained earnings	19	(38,326,907)	(31,081,620)
<b>TOTAL EQUITY</b>		<u>(4,752,020)</u>	<u>2,309,711</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	20	28,767,477	19,145,524
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	9,546,189	12,183,892
<b>TOTAL LIABILITIES</b>		<u>38,313,666</u>	<u>31,329,416</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>33,561,646</u>	<u>33,639,127</u>

The financial statements were approved by the Board of Directors and authorised for issue on Mar 31, 2022 and were signed on its behalf by:

  
Asgeir Orn Asgeirsson (Mar 31, 2022 14:06 GMT)

A O Asgeirsson - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 March 2021

	Called up share capital €	Retained earnings €	Share premium €	Forex on consolidation €
<b>Balance at 1 April 2019</b>	175,452	(28,297,129)	25,040,711	728,527
<b>Changes in equity</b>				
Issue of share capital	53	-	10,379	-
Total comprehensive income	-	(5,436,126)	-	-
<b>Balance at 31 March 2020</b>	<u>175,505</u>	<u>(33,733,255)</u>	<u>25,051,090</u>	<u>728,527</u>
<b>Changes in equity</b>				
Issue of share capital	1,211	-	42,679	-
Total comprehensive income	-	(7,342,584)	-	-
<b>Balance at 31 March 2021</b>	<u>176,716</u>	<u>(41,075,839)</u>	<u>25,093,769</u>	<u>728,527</u>

	Capital reserve consolidation €	Merger relief reserve €	Other reserves €	Share option reserve €	Total equity €
<b>Balance at 1 April 2019</b>	228,320	7,366,746	137,069	499,087	5,878,783
<b>Changes in equity</b>					
Issue of share capital	-	-	-	-	10,432
Total comprehensive income	-	-	-	-	(5,436,126)
Share option reserve movement	-	-	-	135,333	135,333
<b>Balance at 31 March 2020</b>	<u>228,320</u>	<u>7,366,746</u>	<u>137,069</u>	<u>634,420</u>	<u>588,422</u>
<b>Changes in equity</b>					
Issue of share capital	-	-	-	-	43,890
Total comprehensive income	-	-	-	-	(7,342,584)
Share option reserve movement	-	-	-	139,666	139,666
<b>Balance at 31 March 2021</b>	<u>228,320</u>	<u>7,366,746</u>	<u>137,069</u>	<u>774,086</u>	<u>(6,570,606)</u>

COMPANY STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 March 2021

	Called up share capital €	Retained earnings €	Share premium €	
<b>Balance at 1 April 2019</b>	175,451	(26,564,230)	25,040,711	
<b>Changes in equity</b>				
Issue of share capital	54	-	10,379	
Total comprehensive loss	-	(4,517,390)	-	
<b>Balance at 31 March 2020</b>	<u>175,505</u>	<u>(31,081,620)</u>	<u>25,051,090</u>	
<b>Changes in equity</b>				
Issue of share capital	1,211	-	42,679	
Total comprehensive loss	-	(7,245,287)	-	
<b>Balance at 31 March 2021</b>	<u>176,716</u>	<u>(38,326,907)</u>	<u>25,093,769</u>	
	Merger relief reserve €	Other reserves €	Share option reserve €	Total equity €
<b>Balance at 1 April 2019</b>	7,366,746	163,570	499,087	6,681,335
<b>Changes in equity</b>				
Issue of share capital	-	-	-	10,433
Total comprehensive loss	-	-	-	(4,517,390)
Share option reserve movement	-	-	135,333	135,333
<b>Balance at 31 March 2020</b>	<u>7,366,746</u>	<u>163,570</u>	<u>634,420</u>	<u>2,309,711</u>
<b>Changes in equity</b>				
Issue of share capital	-	-	-	43,890
Total comprehensive loss	-	-	-	(7,245,287)
Share option reserve movement	-	-	139,666	139,666
<b>Balance at 31 March 2021</b>	<u>7,366,746</u>	<u>163,570</u>	<u>774,086</u>	<u>(4,752,020)</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the Year Ended 31 March 2021

	31.3.21	31.3.20 as restated
	€	€
<b>Cash flows from operating activities</b>		
Cash generated from operations 1	(4,517,320)	(8,923,364)
Interest paid	(1,198,751)	(713,303)
Taxation received	<u>634,664</u>	<u>571,327</u>
Net cash from operating activities	<u>(5,081,407)</u>	<u>(9,065,340)</u>
 <b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(1,475,505)
Purchase of tangible fixed assets	(14,359)	(112,317)
Interest received	<u>29,668</u>	<u>20,968</u>
Net cash from investing activities	<u>15,309</u>	<u>(1,566,854)</u>
 <b>Cash flows from financing activities</b>		
New loans in year	11,142,522	12,999,950
Loan repayments in year	(1,759,356)	-
Share issue	43,890	10,432
Government grants received	<u>268,473</u>	<u>-</u>
Net cash from financing activities	<u>9,695,529</u>	<u>13,010,382</u>
 <b>Increase in cash and cash equivalents</b>	 4,629,431	 2,378,188
<b>Cash and cash equivalents at beginning of year</b> 2	<u>5,444,159</u>	<u>3,065,971</u>
 <b>Cash and cash equivalents at end of year</b> 2	 <u><u>10,073,590</u></u>	 <u><u>5,444,159</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the Year Ended 31 March 2021

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.3.21	31.3.20 as restated
	€	€
Loss before income tax	(7,590,289)	(5,992,268)
Depreciation charges	2,825,063	300,269
Share option movement	139,666	135,333
Release of contingent liability	-	(4,000,000)
Prior year adjustment	-	(11,413,127)
Government grants	(268,473)	-
Finance costs	1,198,751	713,303
Finance income	<u>(29,668)</u>	<u>(20,968)</u>
	(3,724,950)	(20,277,458)
(Increase)/decrease in trade and other receivables	(159,218)	4,922,920
(Decrease)/increase in trade and other payables	<u>(633,152)</u>	<u>6,431,174</u>
<b>Cash generated from operations</b>	<b><u>(4,517,320)</u></b>	<b><u>(8,923,364)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2021**

	31.3.21	1.4.20
	€	€
Cash and cash equivalents	<u>10,073,590</u>	<u>5,444,159</u>

**Year ended 31 March 2020**

	31.3.20	1.4.19 as restated
	€	€
Cash and cash equivalents	<u>5,444,159</u>	<u>3,065,971</u>

**3. MAJOR NON-CASH TRANSACTIONS**

In 2021 the Group changed its revenue recognition policy as stated in Note 2 to the Consolidated financial statements.

As a result of this change the revenue deficit brought forward from 2019 was restated by €11,413,127. This amount has therefore been included in the 2020 figures within Note 1 to the Consolidated statement of cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the Year Ended 31 March 2021**

**1. STATUTORY INFORMATION**

Meniga Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The company trades at 38 Chancery Lane, London, WC2A 1EN.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Group incurred a net loss of €7.3 million during the year ended 31 March 2021. At that date, the Group's net current asset position was €7.7 million, but the Group had a net deficit on Equity of €6.6 million. The Directors acknowledge that these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors are confident that the Group has sufficient resources available, allowing it to continue as a going concern. Following a review of the Group's current cash position, its liquidity and future cash flow forecasts, the Directors believe that the group has adequate resources to continue in operation for the foreseeable future and for at least 12 months and one day from the date on which the Audit Report is signed. The Group has recently undergone a cost cutting exercise. In addition, the Directors are continuing to explore potential funding opportunities which will strengthen the Group's ability to continue as a going concern.

The Group financial statements have therefore been prepared on the going concern basis and do not contain any adjustments that would be required if the Group was unable to continue as a going concern.

**Functional and Presentational Currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Euros, which is the Company's functional currency.

**Basis of consolidation**

The consolidated accounts for the year ended 31 March 2021 consist of the results for the parent company and its five subsidiaries, all of whose accounts are made up to that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Changes in accounting policies**

The Group/Company has consistently applied the accounting policies to all periods presented in these financial statements.

In preparing these financial statements, the directors passed a resolution which resulted in a change to the Group's/Company's revenue recognition accounting policy. Income from licence fees were previously being recognised on the date of initial delivery to the customer. Following a review of the accounting policy, the directors concluded that these fees should be recognised over time, rather than recognising all of the income up-front. This conclusion was reached on the following basis:

- In practice, licences and the support and maintenance services are simultaneously used by customers and they are therefore deemed to constitute one single performance obligation.

- The Group's/Company's business model is changing, and this has led to revenue recognition reflecting more of a 'right to access' model, rather than a 'right to use'.

- The presentation of the accounts under the new revenue policy will add clarity to the financial statements, which will present a more true and fair view of the performance and position of the Group/Company.

The accounts have been amended retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

**Current versus non-current classification**

The Group/Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group/Company classifies all other liabilities as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Revenue recognition**

**Revenue from contracts with customers**

The Group/Company has the following streams of revenue:-

1. Professional services
2. License fees
3. Support and maintenance
4. Rewards
5. Analytics
6. Platform fees

Professional service revenue is recognised at the end of the month once the relevant performance obligations have been satisfied.

License revenue entitles the customer to use a licensed product developed by the company. Perpetual and annual licenses are structured and sold by Meniga (and are perceived by Meniga's customers) in such a way that makes them "right to access" rather than "right to use", but at any rate qualifies them as to be recognised over time. The Group/Company recognises revenue over the expected life of the contract. Where there is no end date to the contract, revenue is recognised over a period of 7 years from the date of delivery of the product. At the reporting date, the Group/Company recognises deferred revenue in respect of amounts invoiced by the reporting date, but for which the performance obligation has not been met.

Support and maintenance revenue is recognised linearly (monthly) as the performance obligation is satisfied, i.e. over the term of the maintenance contract. Where a support and maintenance fee is not negotiated separately from an annual licence contract, management assess this to be 50% of the total contract for support and maintenance and 50% for the annual licence fee. This is reviewed annually and based on historical information.

Rewards revenue are commissions payments, recognised at the end of the month based on converted offers for the same month.

Analytics revenue is recognised linearly (monthly) as the performance obligation is satisfied, i.e. over the term of the analytics contract. If analytics are sold as one-off reports, the revenue is recognised in the same month.

Platform fees are recognised linearly (monthly) over the term of the platform fee contract, i.e. for the period the customer has access to the platform.

**Goodwill**

Goodwill on consolidation is recognised in regards to IFRS 3(R) on historic cost, plus earn-out consideration at fair value, and amortised over the following rate to write it off over its estimated useful life.

Goodwill - straight line over 5-10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Intangible assets**

Development costs incurred in respect of research and development for clearly defined projects whose outcome can be assessed with reasonable certainty are capitalised as intangible fixed assets where they are separately identifiable. These projects are considered to have a reasonable expectation that they will be technically feasible and commercially viable.

Intangible assets are internally generated and stated at cost, less accumulated amortisation.

The group policy is to capitalise development expenditures if the development phase of a minimum viable product is longer than twelve months, where the product or process is technically and commercially feasible and future economic benefits are probable. Amortisation is recognised on a straight-line basis, at 33% per annum from the date that the relevant asset is fully operating.

**Investments**

Investments in subsidiaries are recorded at cost, plus contingent consideration valued at fair value based on the probability of payment at the date of acquisition. All subsequent changes to that contingent consideration are recognised through the income statement, per IFRS3 (Revised).

The investments in subsidiaries are also reviewed annually for impairment.

**Impairment of non-financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying value of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**Grant Income**

Government grants are recognised in accordance with the grant contracts and EU requirements on a receivable basis. Grant income is recognised when there is:

- entitlement to the grant
- virtual certainty that it will be received
- sufficient measurability of the amount.

Grant income is included within other income in the profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Property, plant and equipment**

Property, plant and equipment is recognised at historic cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - straight line over 3 - 5 years

**Financial instruments**

The Group's/Company's financial instruments comprise cash, trade receivables and trade and other payables.

**Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprises cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of such cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

**Trade and other receivables**

A receivable represents the Group's/Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

**Trade and other payables**

Trade and other payables are carried at amortised cost and, due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group/Company prior to the end of the financial year that are unpaid and arise when the Group/Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method, if applicable.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Finance income**

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to financial assets.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred, unless expenditure relates to a clearly defined project and the outcome of the project is expected to be technically viable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Employee benefit costs**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

**Deferred tax**

Deferred tax is provided on all material timing differences, arising from the different treatment of transactions and events for financial statements and taxation purposes. Deferred tax is calculated at the rates at which it is estimated that the deferred tax balances are expected to reverse.

A deferred tax asset is only recognised where there are reliable forecasts to demonstrate recoverability.

**Statement of cash flows**

The cash flow statement is presented using the indirect method.

**Share based payments**

The company provides share based payment arrangements to certain employees.

The arrangements are measured at fair value at the date of grant. The fair value is based on Black Scholes model and expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest.

Those share options cancelled or forfeited are de-recognised through the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the company's financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial report was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**Revenue from contracts with customers**

In accordance with IFRS 15, revenue stems from complex contracts with customers, where the more complex contracts include revenues in relation to several different revenue streams, such as license revenue and subscription and maintenance revenue. In these contracts, the executive management estimates how the revenues should be allocated to each performance obligation, and different principles for the revenue recognition can be applied for different performance obligations.

The allocation of the contract value to each performance obligation is based on the respective component's stand-alone selling price, which management assess to be 50% of the contract for subscription and maintenance within annual licence fee contracts.

**Capitalized contract costs**

In accordance with IFRS 15, all costs directly attributable to obtaining a contract with a customer must be capitalized and expensed over the period of revenue recognition for the underlying contract. There are primarily direct contract costs in relation to commission for sales representatives.

In accordance with what is permitted by the standard, direct contract costs are capitalized and expensed per the contract, following the licence fee agreement terms.

**Provision of bad debts**

The company makes a provision for receivables that management estimates are impaired. The company makes assessments on the recoverability of all its receivables based on external factors such as the creditworthiness of the customer and the age of the receivables.

**Depreciation and amortisation**

Management uses judgement to estimate the useful lives and residual value of depreciating tangible and intangible assets.

4. **EMPLOYEES AND DIRECTORS**

	31.3.21	31.3.20 as restated
	€	€
Wages and salaries	6,928,867	9,285,122
Social security costs	888,236	1,306,210
Other pension costs	<u>834,336</u>	<u>1,218,960</u>
	<u>8,651,439</u>	<u>11,810,292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.3.21	31.3.20 as restated
Sales, Administration and Development	<u>95</u>	<u>123</u>

Share option costs have been recognised of €139,666 (2020: €135,333) within wages and salaries.

During the year, three employees, who the Directors considered to be key management received salaries of €302,017 (2020: €453,914) and pension contributions of €13,588 (2020: €21,366).

Directors' compensation received from the parent company in the year, amounted to €nil (2020: €22,500).

A Director received remuneration from a subsidiary during the year, amounting to €143,304 (2020: €165,874) pension contribution of €17,845 (2020: €20,614). No other Director's remuneration was paid directly from the parent company.

5. EXCEPTIONAL ITEMS

There are no exceptional items to report for the year ending 31 March 2021.

Included within the Statement of Profit or Loss for the year ending 31 March 2020, is a credit amounting to €4million in relation to the release of a contingent liability. The liability was initially recognised in respect of a potential earn-out following the acquisition of two subsidiaries. The relevant targets were not met during the specified period and so the earn out did not become payable.

6. NET FINANCE COSTS

	31.3.21	31.3.20 as restated
	€	€
Finance income:		
Interest received	<u>29,668</u>	<u>20,968</u>
Finance costs:		
Bank interest	15,271	14,251
Loan costs	1,155,871	521,891
Bank charges	18,337	19,199
Foreign exchange losses	<u>9,272</u>	<u>157,962</u>
	<u>1,198,751</u>	<u>713,303</u>
Net finance costs	<u>1,169,083</u>	<u>692,335</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	31.3.21	31.3.20 as restated
	€	€
Depreciation - owned assets	37,287	46,140
Development costs amortisation	2,688,700	146,291
Auditors' remuneration	99,049	154,716
All other non-audit services	66,218	26,335
Goodwill amortisation	<u>94,959</u>	<u>107,837</u>

8. INCOME TAX

Analysis of tax income

	31.3.21	31.3.20 as restated
	€	€
Current tax: Tax	(400,128)	(596,681)
Deferred tax	<u>152,423</u>	<u>40,539</u>
Total tax income in consolidated statement of profit or loss	<u>(247,705)</u>	<u>(556,142)</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21	31.3.20 as restated
	€	€
Loss before income tax	<u>(7,590,289)</u>	<u>(5,992,268)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,442,155)	(1,138,531)
Effects of: for tax		
Losses carried forward or utilised	698,943	1,652,645
Expenses not deductible for tax	550,920	(862,871)
Deferred tax movement	152,423	40,539
R&D enhanced deduction	(318,499)	(452,342)
Losses surrendered in exchange for R&D tax credit	563,499	800,298
R&D credit receivable	(452,836)	(595,790)
Other items	<u>-</u>	<u>(90)</u>
Tax income	<u>(247,705)</u>	<u>(556,142)</u>

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was €(7,245,287) (2020 - €(4,517,390)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

10. **PRIOR YEAR ADJUSTMENT**

Retained earnings for the Group brought forward have been reduced by €12,270,003 and for the Company by €12,076,785 as a result of a change in the Group's/Company's revenue accounting policy this year.

Income from licence fees were previously being recognised on the date of initial delivery to the customer. Following a review of the accounting policy, the directors concluded that these fees should be recognised over time, rather than recognising all of the income up-front.

The accounts have been amended retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The tax income included in the comparative information has not been impacted by the restatement.

11. **GOVERNMENT GRANTS**

The company has received government furlough assistance amounting to €35,233 during the year. €15,573 of this relates to income from the UK Coronavirus Job Retention Scheme and €19,660 in respect of assistance from the Singapore government. As at the year end, there are no unfulfilled conditions in relation to these grants.

In addition to the above, subsidiary companies have received Government grants totalling €233,240 (2020: €Nil).

12. **GOODWILL**

<b>Group</b>	€
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>9,006,612</u>
<b>AMORTISATION</b>	
At 1 April 2020	474,109
Charge for year	<u>94,959</u>
At 31 March 2021	<u>569,068</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>8,437,544</u>
At 31 March 2020	<u>8,532,503</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

13. INTANGIBLE ASSETS

**Group**

	Development costs €
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>8,632,252</u>
<b>AMORTISATION</b>	
At 1 April 2020	746,071
Amortisation for year	<u>2,688,700</u>
At 31 March 2021	<u>3,434,771</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>5,197,481</u>
At 31 March 2020	<u>7,886,181</u>

**Company**

	Development costs €
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>7,796,213</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>2,598,732</u>
At 31 March 2021	<u>2,598,732</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>5,197,481</u>
At 31 March 2020	<u>7,796,213</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Totals €
<b>COST</b>				
At 1 April 2020	2,682	2,149	242,047	246,878
Additions	-	340	14,019	14,359
At 31 March 2021	<u>2,682</u>	<u>2,489</u>	<u>256,066</u>	<u>261,237</u>
<b>DEPRECIATION</b>				
At 1 April 2020	1,731	537	164,723	166,991
Charge for year	951	387	35,949	37,287
At 31 March 2021	<u>2,682</u>	<u>924</u>	<u>200,672</u>	<u>204,278</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>-</u>	<u>1,565</u>	<u>55,394</u>	<u>56,959</u>
At 31 March 2020	<u>951</u>	<u>1,612</u>	<u>77,324</u>	<u>79,887</u>

15. INVESTMENTS

Company

	Shares in group undertakings €
<b>COST</b>	
At 1 April 2020	16,362,124
Additions	613,207
At 31 March 2021	<u>16,975,331</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>16,975,331</u>
At 31 March 2020	<u>16,362,124</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

15. INVESTMENTS - continued

**Company**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**Meniga Iceland ehf**

Registered office: Smaratorg 3, 201 Kopavogur, Iceland

Nature of business: Next-generation online banking solutions

	%		
	holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		€	€
Aggregate capital and reserves		7,706,249	7,462,414
Profit for the year		<u>437,053</u>	<u>205,614</u>

**Meniga AB**

Registered office: Vasagatan 10, 111 20, Stockholm, Sweden

Nature of business: Next-generation online banking solutions

	%		
	holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		€	€
Aggregate capital and reserves		372,528	392,745
Loss for the year		<u>(20,097)</u>	<u>(26,633)</u>

**Meniga Poland Sp z o.o.**

Registered office: Ludwika Warynskiego 3a, 00-645 Warsaw, Poland

Nature of business: Next-generation online banking solutions

	%		
	holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		€	€
Aggregate capital and reserves		(222,483)	(251,448)
Profit/(loss) for the year		<u>28,965</u>	<u>(166,041)</u>

**Meniga Sweden AB**

Registered office: Vasagatan 10, 111 20, Stockholm, Sweden

Nature of business: Next-generation online banking solutions

	%		
	holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		€	€
Aggregate capital and reserves		25	80
Loss for the year		<u>(4,764)</u>	<u>(2,365)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

15. INVESTMENTS - continued

Company

**Meniga Finland Oy**

Registered office: Antinkatu 3D, 7th floor, 00100 Helsinki, Finland

Nature of business: Next-generation online banking solutions

Class of shares:	% holding		
Ordinary	100.00	31.3.21	31.3.20
		€	€
Aggregate capital and reserves		(529,417)	(558,847)
Profit/(loss) for the year		<u>29,429</u>	<u>(652,403)</u>

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.21	31.3.20 as restated	31.3.21	31.3.20 as restated
	€	€	€	€
Current:				
Trade debtors	1,963,522	2,166,020	1,549,429	1,949,578
Amounts owed by group undertakings	-	-	856,196	945,261
Other debtors	633,258	159,062	123,382	108,913
VAT	37,902	475,620	54,237	32,582
Accrued income	1,106,672	1,432,168	994,744	1,378,488
Prepayments	<u>24,453</u>	<u>-</u>	<u>24,453</u>	<u>-</u>
	<u>3,765,807</u>	<u>4,232,870</u>	<u>3,602,441</u>	<u>4,414,822</u>
Non-current:				
Other debtors	<u>626,281</u>	<u>-</u>	<u>626,281</u>	<u>-</u>
Aggregate amounts	<u>4,392,088</u>	<u>4,232,870</u>	<u>4,228,722</u>	<u>4,414,822</u>

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.21	31.3.20 as restated	31.3.21	31.3.20 as restated
	€	€	€	€
Cash in hand	1,279	2,610	1,279	2,610
Short notice investment	2,835,922	-	-	-
Bank accounts	<u>7,236,389</u>	<u>5,441,549</u>	<u>6,768,540</u>	<u>4,466,526</u>
	<u>10,073,590</u>	<u>5,444,159</u>	<u>6,769,819</u>	<u>4,469,136</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31.3.21	31.3.20
Number:	Class:	Value:	€	€
72,375 (2020: 71,507)	Ordinary	£1	95,947	94,736
20,642 (2020: 20,642)	Series B	£1	24,176	24,176
16,885 (2020: 16,885)	Series C	£1	19,776	19,776
28,485 (2020: 28,485)	Series S1	£1	32,377	32,377
3,975 (2020: 3,975)	A Ordinary convertible	£1	4,440	4,440
			<u>176,716</u>	<u>175,505</u>

During the year 868 Ordinary shares of £1 each were issued at a premium totalling €42,679.

Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

Series B shares carry full and equal rights in dividends or distributions declared or paid. The holders of Series B shares are entitled to cast such number of votes per Series B share held as they would be entitled to cast if all the Series B shares were converted into Ordinary Shares at the conversion rate detailed in the Articles. The Series B shares take second preference on a winding up after Series C and Series S1 shares.

Series C shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise. The shares are not redeemable. The holders of Series C shares are entitled to cast such number of votes per Series C share held as they would be entitled to cast if all the Series C shares were converted into Ordinary Shares at the conversion rate detailed in the Articles. The Series C and Series S1 shares take first preference on a winding up on an equal basis.

Series S1 shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise. The shares are not redeemable. The holders of Series S1 Shares shall be entitled to receive notice of and attend general meetings, as well as receive copies of any Shareholders' written resolutions.

A Ordinary convertible shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise, but do not have voting rights. The shares are convertible and redeemable.

19. RESERVES

Group

	Retained earnings €	Share premium €	Forex on consolidation €	Capital reserve consolidation €
At 1 April 2020	(33,733,255)	25,051,090	728,527	228,320
Deficit for the year	(7,342,584)			
Shares issued in year	-	42,679	-	-
At 31 March 2021	<u>(41,075,839)</u>	<u>25,093,769</u>	<u>728,527</u>	<u>228,320</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

19. RESERVES - continued

Group

	Merger relief reserve €	Other reserves €	Share option reserve €	Totals €
At 1 April 2020	7,366,746	137,069	634,420	412,917
Deficit for the year				(7,342,584)
Shares issued in year	-	-	-	42,679
Share option reserve movement	-	-	139,666	139,666
At 31 March 2021	<u>7,366,746</u>	<u>137,069</u>	<u>774,086</u>	<u>(6,747,322)</u>

Company

	Retained earnings €	Share premium €	Merger relief reserve €
At 1 April 2020	(31,081,620)	25,051,090	7,366,746
Deficit for the year	(7,245,287)		
Shares issued in year	-	42,679	-
At 31 March 2021	<u>(38,326,907)</u>	<u>25,093,769</u>	<u>7,366,746</u>

Company

	Other reserves €	Share option reserve €	Totals €
At 1 April 2020	163,570	634,420	2,134,206
Deficit for the year			(7,245,287)
Shares issued in year	-	-	42,679
Share option reserve movement	-	139,666	139,666
At 31 March 2021	<u>163,570</u>	<u>774,086</u>	<u>(4,928,736)</u>

20. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.21 €	31.3.20 as restated €	31.3.21 €	31.3.20 as restated €
Current:				
Trade creditors	1,016,605	1,049,420	542,760	264,039
Amounts owed to group undertakings	-	-	5,214,407	8,158,570
Social security and other taxes	343,902	316,830	34,758	57,008
Other creditors	270,176	638,902	19,432	19,322
Accruals and deferred income	4,968,227	5,461,400	3,734,832	3,684,953
	<u>6,598,910</u>	<u>7,466,552</u>	<u>9,546,189</u>	<u>12,183,892</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

20. **TRADE AND OTHER PAYABLES - continued**

	Group		Company	
	31.3.21	31.3.20 as restated	31.3.21	31.3.20 as restated
	€	€	€	€
Non-current:				
Amounts owed to group undertakings	-	-	5,214,407	8,158,570
Other creditors	23,096,494	12,999,950	23,096,494	12,999,950
Accrued expenses and deferred income	<u>5,670,983</u>	<u>6,145,574</u>	<u>5,670,983</u>	<u>6,145,574</u>
	<u>28,767,477</u>	<u>19,145,524</u>	<u>33,981,884</u>	<u>27,304,094</u>
Aggregate amounts	<u>35,366,387</u>	<u>26,612,076</u>	<u>43,528,073</u>	<u>39,487,986</u>

All amounts, within current liabilities, owed to group undertakings are repayable on demand, bear no interest and are unsecured. The Directors do not foresee the subsidiaries demanding repayment on the parent entity in the foreseeable future.

Included in other creditors, within non-current liabilities, is an amount of €3,240,644 (2020: €5,000,000) which is secured upon the assets of the company.

During the year the company issued convertible loan notes in the sum of €11,142,522 (2020: €7,999,950). Whilst the liability could crystallise within 12 months the result would be an increase in shareholders' equity with no impact on the company's liquid resources. The directors have therefore concluded that the loan notes should be disclosed within non-current liabilities, as other creditors.

21. **DEFERRED TAX**

The Company has a potential deferred tax asset of €7,083,125 that could be recognised in relation to losses carried forward. This has not been recognised due to the Company's budgeted loss for the next financial year.

The Group also has additional unutilised tax losses in its subsidiaries, however, it is not anticipated that these losses will be recoverable in the foreseeable future and may lapse before they can be used, consequently no deferred tax assets are recognised in relation thereto.

22. **PENSION COMMITMENTS**

The group operates several defined contribution pension schemes.

The total contributions for the period ended 31 March 2021 is €834,336 (2020: €1,218,960) in respect of the employees. There was an outstanding payment of €76,842 (2020: €145,153) at the balance sheet date.

23. **ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2021

24. **SHARE-BASED PAYMENT TRANSACTIONS**

Meniga Limited has reserved shares of common stock for issuance as stock options.

Options granted under the plan expire 1-9 years from the date of the grant or 5 years after termination of the optionee's employment or other relationship with the company. Vesting time for options is up to 4 years usually with a 1 year cliff. The options are equity settled.

The share options have been valued based on the Black Scholes model. The assumptions used within the Black Scholes model calculations were that the volatility is a constant over the time from grant date for each share option, interest rates are constant, no dividends will be paid during the options life and that there is no liquidity risk. Expected volatility was determined using the historical changes in share options at the date of grant and adjusting for considerations of how long the company had been trading.

There was a stock-based compensation expense for the group during the year of €139,666 (2020: €135,333) which is recognised within wages and salaries.

For Non Qualifying (NQ) stock options the movement in the year is shown in the table below.

	<b>Outstanding 31/03/2020 (note restated)</b>	<b>Granted</b>	<b>Forfeited</b>	<b>Exercised</b>	<b>Expired</b>	<b>Outstanding 31/03/2021</b>
<b>Weighted Average Exercise Price</b>	£193.71	£213.73	254.28	45.00	134.88	£195.03
<b>Weighted Average Fair Value</b>	£71.78	£24.97	10.21	4.78	39.43	£62.40

The number of shares that are exercisable as at 31 March 2021, that have been fully vested, is 5,108 with a weighted average exercise price of £143.57.

Within the outstanding share options as at 31 March 2021 the exercise price ranges between £45.00 - £340.06.