

Consolidated Financial Statements

MetaCompliance Limited

For the year ended 31 March 2021



Registered number: NI049166



Company Information

Directors	Robert O'Brien James Edward Mackay Eamonn Jennings Judith O'Brien (resigned 30 March 2021) Brendan Matthews (resigned 23 January 2021) David Mackay (resigned 23 January 2021)
Company secretary	James Edward Mackay
Registered number	NI049166
Registered office	3rd Floor Old City Factory 100 Patrick Street Derry Co. Derry BT48 7EL
Statutory auditors	Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH
Bankers	Ulster Bank 11-16 Donegall Square East Belfast BT1 5UB
Solicitors	Tughans Marlborough House 30 Victoria Street Belfast BT1 3GG

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Group strategic report

For the year ended 31 March 2021

Introduction

The directors are pleased to present their Strategic Report for the company for the year ended 31 March 2021.

Principal activity

The principal activity of the company and its subsidiary undertakings is the provision of cybersecurity and compliance solutions with a specific focus on security awareness computer-based training.

Business review

MetaCompliance has been developing software and content for the Cybersecurity and Compliance market since 2005. MetaCompliance is an industry recognised leader for staff based education and risk mitigation in the area of Cybersecurity and Compliance. The Company offers a one stop shop management solution that resides within the MyCompliance Cloud platform. The platform provides customers with a fully integrated suite of compliance capabilities which includes Processing Activity Assessments, Risk Management, Task Management, Policy Management, Incident Management, Simulated Phishing and eLearning. The platform also offers management dashboards and detailed reporting allowing Privacy, Cyber and Compliance professionals to easily track implementation progress and demonstrate ongoing accountability.

The company operates primarily from Derry but also has regional bases in London, Birmingham, Dublin and Atlanta. As the Cyber Security market grows, MetaCompliance has been able to gain a market share in a highly competitive environment.

Group strategic report (continued)

For the year ended 31 March 2021

Principal risks and uncertainties

The principal risks and uncertainties faced by the group, and where applicable how these are managed or mitigated, are in the following categories:

The impact of Brexit

As a service company, there has been no immediate effects of Brexit. However, there is still uncertainty with respect to the longer-term implications. MetaCompliance has incorporated in Republic of Ireland and the USA, which will help mitigate against these uncertainties.

Competitive headwinds

MetaCompliance faces significant competition within the cyber security market, particularly in North America. Challenges are created when competitors heavily invest in marketing activities and create contest on pricing. MetaCompliance delivers high quality products with strong localisation potential across geographical markets. The company actively reviews its marketing strategy to ensure it is the preferable provider of cyber security awareness solutions that are accessible worldwide.

Competition for employees

MetaCompliance experience two separate pressures on its employee recruitment and retention. The first is inward investment that will typically target existing local companies for experienced employees. The second has arisen due to the shortage of technical talent in the local labour market. The company is committed to the recruitment, engagement, retention and reward of quality employees.

Ability to attract senior employees

MetaCompliance has a vibrant young workforce. However, there is a limited access to Senior Managers with suitable experience in IT security and SaaS industry in the North West of Ireland. Consequently, it takes significantly longer to obtain a list of potential candidates and senior appointments can remain open for a longer period of time. The company continually reviews its recruitment policies, working guidelines and employee programme of rewards to ensure the recruitment and retention of experienced quality management and talent. To supplement this experience pool, specialised consultants are engaged and the supply of this service is not necessarily geographically restricted.

Development and performance

The Company has operated profitably this year and continues to reinvest profits into its growth strategy.

Key observations in relation to the recent trading performance of MetaCompliance include:

1. Sales continued to grow in excess of 50% and exceeded market expectations.
2. Continued investment in sales and marketing activities to generate revenue.
3. Sales and marketing efforts increased in Europe and USA.
4. Significant investment in research and development activities has led to an increase in customers and enhanced user experience. The Company has committed to furthering product development with R&D costs for 2021 in excess of £1.5m (2020: £1.5m).
5. The investment activities are directly related to the Company's ability to fund growth. Over the past three financial years, the company has reinvested profits while maintaining financial stability.

Group strategic report (continued)

For the year ended 31 March 2021

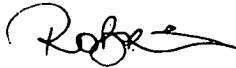
Financial key performance indicators

The Company's key performance indicators are:

1. Revenue growth of £2.3m (34%);
2. Increase in EBITDA from £1.3m to £3.3m (155%);
3. 24% increase in customers to 917 arising from customer acquisition and retention;
4. Investment in Creation of Intellectual Property (IP) £1.5m (2020: £1.5m); and
5. Maximising shareholder return; shareholder funds grown by £0.83m to £3.66m.

This report was approved by the board on 8 February 2022

and signed on its behalf.



Robert O'Brien
Director

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.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £831,727 (2020 - £658,869).

The 2020 results have been restated to reflect a change in accounting policy resulting in the capitalisation of sale commissions associated with securing contracts and amortising this cost over the period the service is provided. This resulted in a decrease in profit before tax in 2020 of £8,468 and a cumulative increase in the profit and loss reserve brought forward in 2020 of £489,310.

The directors have not recommended a dividend in the current or prior period.

Directors

The directors who served during the year were:

Robert O'Brien
James Edward Mackay
Eamonn Jennings
Judith O'Brien (resigned 30 March 2021)
Brendan Matthews (resigned 23 January 2021)
David Mackay (resigned 23 January 2021)

Directors' report (continued)

For the year ended 31 March 2021

Corporate Social Responsibility

MetaCompliance's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to the Company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, help communities and protect the natural environment. The Company have sponsored Foyle Hospice through payroll and held a number of fundraising events during the year.

People

MetaCompliance currently operate from 7,000 square foot 'state of the art' premises in Patrick Street Derry. The office has capacity for 133 staff with further office space available. The year ended 31 March 2021 has been transformational for MetaCompliance financial plans and sales targets have been exceeded.

With its entrepreneurial and innovative vision, MetaCompliance plan to exploit the Company's market opportunities by making a significant investment in its employees. This strategy, which is set to achieve growth in sales revenue, profitability and employment will involve the recruitment of 60 new employees by March 2022. This would bring employee numbers to 180.

As well as enhancing employee training and development, employees also benefited from several initiatives:

- Health Cash Plan;
- Enhanced Pension Contributions;
- Employee Share Programme; and
- Internal Promotions.

Research and development activities

The MetaCompliance development team determine markets based on what customers want and by being ahead of these needs in terms of innovation. MetaCompliance is in a growing sector of the IT market that will see the company grow to many times its current size and possibly become one of the largest indigenous Northern Irish Software Companies. Localisation is an important component of the Company's future sales strategy as multi national customers all expect content to be translated in up to forty two different languages. Futhermore, higher value customers all expect to have content available in an extended range of different languages.

Matters covered in the strategic report

Under schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts & Reports) Regulations 2008", the company has elected to disclose the following Directors' Report information in the Strategic Report:

- Principal activity and business review;
- Principal risks and uncertainties; and
- Financial key performance indicators.

Disclosure of information to auditor

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

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

Directors' report (continued)

For the year ended 31 March 2021

Impact of COVID-19

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Whilst this has had an impact on the Group, management have dealt with it effectively and are closely monitoring the evolution of this pandemic, including how it may affect the Group, its staff, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the directors note that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the Group is well placed to withstand potential future challenges in this context.

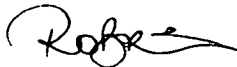
Post balance sheet events

Apart from the ongoing monitoring of Covid-19 as referred to above, there are no other post balance sheet events of note.

Auditor

The auditor, Grant Thornton (NI) LLP, was appointed as auditor during the year and, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 February 2022 and signed on its behalf.



Robert O'Brien
Director



Independent auditor's report to the members of MetaCompliance Limited

Opinion

We have audited the financial statements of MetaCompliance Limited (the 'parent Company') and its subsidiaries (the 'Group'), which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity for the financial year ended 31 March 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, MetaCompliance Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Group's and the Company as at 31 March 2021 and of the Group financial performance and cash flows for the financial year then ended; and
- 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

Other matter

The financial statements of MetaCompliance Limited for the year ended 31 March 2020, were audited by Quarter, Chartered Accountants and Statutory Auditors, who expressed an unmodified opinion on those statements on 29 June 2020.

Independent auditor's report to the members of MetaCompliance Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Directors' report and the Strategic Report.

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

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

Independent auditor's report to the members of MetaCompliance Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and 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 management either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Independent auditor's report to the members of MetaCompliance Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Health and Safety laws and Employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of the board of directors meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of

Independent auditor's report to the members of MetaCompliance Limited (continued)

controls;

- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including estimating useful lives of tangible and intangible fixed assets and allowance for the impairment of receivables; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

We requested information from the component auditors on instances of non-compliance with laws or regulations that could give rise to a material misstatement of the group financial statements.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Kelly (Senior statutory auditor)

for and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants
Statutory Auditors

Belfast

Date: 8th February 2022

Consolidated statement of comprehensive income

For the year ended 31 March 2021

	Note	2021 £	As restated 2020 £
Turnover	4	9,183,193	6,858,561
Cost of sales		(1,661,489)	(844,951)
Gross profit		7,521,704	6,013,610
Administrative expenses		(6,726,828)	(5,637,784)
Other operating income	5	355,349	290,798
Operating profit	6	1,150,225	666,624
Interest payable and similar expenses		(67)	(7,917)
Profit before tax		1,150,158	658,707
Tax on profit	9	(318,431)	162
Profit for the financial year		831,727	658,869
Profit for the year attributable to:			
Owners of the parent company		831,727	658,869
		831,727	658,869

There was no other comprehensive income for 2021 (2020: £NIL).

All amounts relate to continuing operations.

The notes on pages 19 to 38 form part of these financial statements.

MetaCompliance Limited

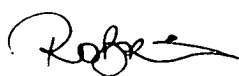
Registered number: NI049166

Consolidated balance sheet

As at 31 March 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	11	3,942,837	4,427,456
Tangible assets	12	45,417	71,396
		<u>3,988,254</u>	<u>4,498,852</u>
Current assets			
Debtors	14	3,922,368	3,792,932
Cash at bank and in hand	15	6,529,364	2,392,353
		<u>10,451,732</u>	<u>6,185,285</u>
Creditors: amounts falling due within one year	16	(8,096,082)	(4,078,064)
Net current assets		<u>2,355,650</u>	<u>2,107,221</u>
Total assets less current liabilities		<u>6,343,904</u>	<u>6,606,073</u>
Creditors: amounts falling due after more than one year	17	(2,182,866)	(3,756,276)
Provisions for liabilities			
Deferred tax	18	(500,856)	(23,801)
		<u>(500,856)</u>	<u>(23,801)</u>
Net assets		<u><u>3,660,182</u></u>	<u><u>2,825,996</u></u>
Capital and reserves			
Called up share capital	20	700,002	700,002
Share premium account	21	900,000	900,000
Foreign exchange reserve	21	1,615	(844)
Profit and loss account	21	2,058,565	1,226,838
Shareholders' funds		<u><u>3,660,182</u></u>	<u><u>2,825,996</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
8 February 2022



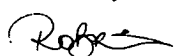
Robert O'Brien
Director

Company balance sheet

As at 31 March 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	11	3,942,837	4,427,456
Tangible assets	12	45,417	71,396
Investments	13	10	10
		<u>3,988,264</u>	<u>4,498,862</u>
Current assets			
Debtors	14	4,378,850	3,896,933
Cash at bank and in hand	15	6,071,883	2,304,868
		<u>10,450,733</u>	<u>6,201,801</u>
Creditors: amounts falling due within one year	16	(8,096,520)	(4,072,374)
Net current assets		<u>2,354,213</u>	<u>2,129,427</u>
Total assets less current liabilities		<u>6,342,477</u>	<u>6,628,289</u>
Creditors: amounts falling due after more than one year	17	(2,182,866)	(3,756,276)
Provisions for liabilities			
Deferred taxation	18	(500,856)	(23,801)
		<u>(500,856)</u>	<u>(23,801)</u>
Net assets		<u>3,658,755</u>	<u>2,848,212</u>
Capital and reserves			
Called up share capital	20	700,002	700,002
Share premium account	21	900,000	900,000
Profit and loss account carried forward		<u>2,058,753</u>	<u>1,248,210</u>
Shareholders' funds		<u>3,658,755</u>	<u>2,848,212</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 February 2022



Robert O'Brien
Director

The notes on pages 19 to 38 form part of these financial statements.

MetaCompliance Limited

Consolidated statement of changes in equity

For the year ended 31 March 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 April 2019 (as previously stated)	700,002	900,000	-	78,659	1,678,661	1,678,661
Prior year adjustment (Note 22)	-	-	-	489,310	489,310	489,310
At 1 April 2019 (as restated)	700,002	900,000	-	567,969	2,167,971	2,167,971
Profit for the year	-	-	-	658,869	658,869	658,869
Currency translation differences	-	-	(844)	-	(844)	(844)
At 31 March 2020	700,002	900,000	(844)	1,226,838	2,825,996	2,825,996
Profit for the year	-	-	-	831,727	831,727	831,727
Currency translation differences	-	-	2,459	-	2,459	2,459
At 31 March 2021	700,002	900,000	1,615	2,058,565	3,660,182	3,660,182

The notes on pages 19 to 38 form part of these financial statements.

MetaCompliance Limited

Company statement of changes in equity
For the year ended 31 March 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019 (as previously stated)	700,002	900,000	86,665	1,686,667
Prior year adjustment (Note 22)	-	-	489,310	489,310
	<u>700,002</u>	<u>900,000</u>	<u>575,975</u>	<u>2,175,977</u>
Profit for the year	-	-	672,235	672,235
At 31 March 2020	<u>700,002</u>	<u>900,000</u>	<u>1,248,210</u>	<u>2,848,212</u>
Profit for the year	-	-	810,543	810,543
At 31 March 2021	<u><u>700,002</u></u>	<u><u>900,000</u></u>	<u><u>2,058,753</u></u>	<u><u>3,658,755</u></u>

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	As restated 2020 £
Cash flows from operating activities			
Profit for the financial year		831,727	658,869
Adjustments for:			
Amortisation of intangible assets	11	2,074,746	571,363
Depreciation of tangible assets	12	40,705	43,788
Interest payable		67	7,917
Taxation charge		318,431	(162)
(Increase) in debtors		(284,792)	(646,777)
Increase in creditors		2,444,610	1,198,517
Non-cash forex movements		2,458	(844)
Tax received / (paid)		313,979	507,910
Net cash generated from operating activities		5,741,931	2,340,581
Cash flows from investing activities			
Purchase of intangible fixed assets	11	(1,590,127)	(1,786,050)
Purchase of tangible fixed assets	12	(14,726)	(62,201)
Net cash outflow from investing activities		(1,604,853)	(1,848,251)
Cash flows from financing activities			
Repayment of other loans		-	(500,000)
Interest paid		(67)	(7,917)
Net cash used in financing activities		(67)	(507,917)
Net increase/(decrease) in cash and cash equivalents		4,137,011	(15,587)
Cash and cash equivalents at beginning of year	15	2,392,353	2,407,940
Cash and cash equivalents at the end of year		6,529,364	2,392,353
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	15	6,529,364	2,392,353
		6,529,364	2,392,353

The notes on pages 19 to 38 form part of these financial statements.

Consolidated Analysis of Net Cash

For the year ended 31 March 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	2,392,353	4,137,011	6,529,364
	<u>2,392,353</u>	<u>4,137,011</u>	<u>6,529,364</u>

The notes on pages 19 to 38 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2021

1. General information

MetaCompliance Limited is a private company limited by shares, registered and incorporated in Northern Ireland. The registered office is 3rd Floor, Old City Factory, 100 Patrick Street, Derry, Co. Derry, BT487EL.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notifications of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the Company's cashflows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

2.3 Going concern

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss 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 profit or loss within 'other operating 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.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.5 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.

The Group's main sources of revenue are:

- revenue from subscription based products - this is invoiced at the commencement of the term and recognised on a straight line basis over the term of the license.
- one off services such as professional days and/or content creation - recognised when the work is performed.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

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

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

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on intangible fixed assets are credited to profit or loss at the same rate as the amortisation 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.

2.9 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.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.12 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 balance sheet date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Intangible assets

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

The Group recognises internally generated intangible assets to the extent that they are both identifiable and can be measured reliably. Recognition only occurs when the Group is satisfied that the project is feasible such that the asset will be available for use or sale; that the Group has the intention to complete the intangible asset and either use or sell it; that the Group has the ability to either use or sell the intangible asset; that it is probable that the intangible asset will generate future economic benefits; and that the Group has available sufficient resources to complete the development of the intangible asset.

Intangible assets are written off in equal annual instalments over their useful economic life. Amortisation is included within administrative expenses.

Amortisation is provided on the following bases:

Development expenditure - 6 years straight line

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% straight line
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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.

2.15 Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Debtors

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

2.17 Cash and cash equivalents

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

2.18 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.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.19 Holiday pay accrual

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

2.20 Sales commission

Sales commissions incurred in securing a contract are capitalised and amortised over the period the services are rendered.

2.21 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 Balance sheet 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 Balance sheet.

2.22 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, 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.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.22 Financial instruments (continued)

or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the financial statements

For the year ended 31 March 2021

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

Estimates and judgments are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future, which can involve a high degree of judgment or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Estimating useful lives of depreciable assets

The group estimates the useful lives of intangible and tangible fixed assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of intangible and tangible fixed assets are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however may vary due to changes in estimates brought about by changes in factors mentioned above. Based on management's assessment as at 31 March 2021 the estimated useful economic life of intangible assets was changed to six years compared to an estimate of ten years as at 31 March 2020. There is no change in the estimated useful lives of tangible assets during those years.

Allowance for impairment of trade debtors

The group estimates the allowance for doubtful trade debtors based on assessment of specific accounts where the group has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Impairment of assets

The directors determine whether there are indicators of impairment of the Group and Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Notes to the financial statements

For the year ended 31 March 2021

4. Turnover

	2021	2020
	£	£
Turnover	9,183,193	6,858,561
	<u>9,183,193</u>	<u>6,858,561</u>

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	5,441,494	4,576,770
Europe	2,970,953	1,453,698
Rest of the world	770,746	828,093
	<u>9,183,193</u>	<u>6,858,561</u>

5. Other operating income

	2021	2020
	£	£
Government grants receivable	355,349	290,798
	<u>355,349</u>	<u>290,798</u>

6. Operating profit

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

	2021	2020
	£	£
Amortisation of intangible assets	2,074,746	571,363
Depreciation of property, plant and equipment	40,705	43,788
Loss/(profit) on foreign currencies	61,964	(55,461)
Fees payable to Group auditors in respect of advisory services	41,000	-
Auditor's remuneration	18,000	19,950
Government grants and RDEC tax credit received	(316,397)	(174,226)
Amortisation of Government grants and RDEC tax credit	(38,952)	(18,488)
	<u>(38,952)</u>	<u>(18,488)</u>

The higher charge for amortisation of intangible assets in 2021 reflects the impact of the change in the estimated economic life of intangible assets to six years at 31 March 2021 compared to an estimate of ten years as at 31 March 2020.

Notes to the financial statements

For the year ended 31 March 2021

7. Employees

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

	2021	As restated 2020
	£	£
Wages and salaries	4,733,793	4,278,343
Social security costs	490,572	476,295
Cost of defined contribution scheme	336,936	374,245
	<u>5,561,301</u>	<u>5,128,883</u>

Capitalised wages and salaries amounted to £1,484,971 (2020:£1,578,611).

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

	2021	2020
	No.	No.
Administration	7	8
Customer success	12	12
Development	18	19
Marketing	4	4
Operations	17	17
Sales	45	44
Creative	8	8
	<u>111</u>	<u>112</u>

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	541,029	319,764
Company contributions to defined contribution pension schemes	82,415	138,080
	<u>623,444</u>	<u>457,844</u>

Notes to the financial statements

For the year ended 31 March 2021

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £224,860 (2020: £123,154).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,360 (2020: £41,524).

The directors of the Group are considered to be key management personnel and thus no further disclosures are required in this regard.

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(166,927)	(224,198)
Adjustments in respect of previous periods	8,303	3,524
	<u>(158,624)</u>	<u>(220,674)</u>
Total current tax	<u>(158,624)</u>	<u>(220,674)</u>
Deferred tax		
Origination and reversal of timing differences	217,449	220,512
Changes to tax rates	259,606	-
Total deferred tax	<u>477,055</u>	<u>220,512</u>
Taxation on profit on ordinary activities	<u>318,431</u>	<u>(162)</u>

Notes to the financial statements

For the year ended 31 March 2021

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	As restated 2020 £
Profit on ordinary activities before tax	<u>1,150,158</u>	<u>658,707</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	218,530	125,154
Effects of:		
Expenses not deductible for tax purposes	47,813	3,049
Fixed asset timing differences	(48,894)	105,061
Deferred tax	-	220,512
Tax on government grants deferred	-	13,778
Allowable Development Costs	-	(150,172)
Enhanced R&D relief	(166,927)	(341,313)
Notional tax charge	-	18,636
Adjustment to tax charge in respect of previous periods	8,303	3,524
Effect of change in tax rates	259,606	-
Other timing differences	-	1,609
Total tax charge for the year	<u><u>318,431</u></u>	<u><u>(162)</u></u>

Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 and received Royal Assent in June 2021, states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

10. 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 £810,543 (2020: £672,235).

Notes to the financial statements

For the year ended 31 March 2021

11. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 April 2020	5,713,630
Additions	1,590,127
At 31 March 2021	<u>7,303,757</u>
Amortisation	
At 1 April 2020	1,286,174
Charge for the year	2,074,746
At 31 March 2021	<u>3,360,920</u>
Net book value	
At 31 March 2021	<u>3,942,837</u>
At 31 March 2020	<u>4,427,456</u>

Intangible assets include direct costs incurred in product and platform development. During the year, the directors reviewed the economic life of the assets and revised its economic life to 6 years from 10 years based on all relevant information. This change in estimation gave rise to an increase in amortisation in the current financial year of £1.3m.

Notes to the financial statements

For the year ended 31 March 2021

12. Tangible fixed assets

Group and Company

	Fixtures and fittings £
Cost	
At 1 April 2020	249,237
Additions	14,726
At 31 March 2021	<u>263,963</u>
Depreciation	
At 1 April 2020	177,841
Charge for the year	40,705
At 31 March 2021	<u>218,546</u>
Net book value	
At 31 March 2021	<u>45,417</u>
At 31 March 2020	<u>71,396</u>

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2020	10
At 31 March 2021	<u>10</u>

Notes to the financial statements

For the year ended 31 March 2021

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company during the year:

Name	Country of incorporation	Principal activity	Class of shares	Holding
MetaCompliance Inc.	United States of America	IT Services	Ordinary	100%
MetaCompliance Ireland Limited	Ireland	IT Services	Ordinary	100%

14. Debtors

	Group 2021 £	Group As restated 2020 £	Company 2021 £	Company As restated 2020 £
Due within one year				
Trade debtors	2,923,668	2,439,951	2,917,268	2,439,951
Amounts owed by group undertakings	-	-	462,884	104,003
Other debtors	1,502	2	1,500	-
Prepayments and accrued income	830,271	1,030,697	830,271	1,030,697
Tax recoverable	166,927	322,282	166,927	322,282
	<u>3,922,368</u>	<u>3,792,932</u>	<u>4,378,850</u>	<u>3,896,933</u>

Amounts owed by group undertakings are interest free, unsecured and repayable upon demand.

The balances at 31 March 2020 have been restated to reflect the impact of a change in accounting policy to capitalise sale commissions associated with securing contracts and amortising over the period the service is provided. This resulted in a decrease in profit before tax in 2020 of £8,468 and a cumulative increase in the profit and loss reserve brought forward in 2020 of £489,310. The corresponding debit is recognised as capitalised sales commission within Prepayments and accrued income.

15. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	6,529,364	2,392,353	6,071,883	2,304,868
	<u>6,529,364</u>	<u>2,392,353</u>	<u>6,071,883</u>	<u>2,304,868</u>

Notes to the financial statements

For the year ended 31 March 2021

16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	247,789	322,574	247,789	322,574
Other taxation and social security	689,034	602,761	689,034	602,761
Other creditors	23,896	32,166	23,896	32,166
Accruals and deferred income	7,135,363	3,120,563	7,135,801	3,114,873
	<u>8,096,082</u>	<u>4,078,064</u>	<u>8,096,520</u>	<u>4,072,374</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accruals and deferred income	2,182,866	3,756,276	2,182,866	3,756,276
	<u>2,182,866</u>	<u>3,756,276</u>	<u>2,182,866</u>	<u>3,756,276</u>

18. Deferred taxation

Group and Company

	2021 £	2020 £
Deferred tax liability		
At beginning of year	(23,801)	196,711
Charged to profit or loss	(477,055)	(220,512)
At end of year	<u>(500,856)</u>	<u>(23,801)</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(918,555)	(822,086)	(918,555)	(822,086)
Tax losses carried forward	417,699	798,285	417,699	798,285
	<u>(500,856)</u>	<u>(23,801)</u>	<u>(500,856)</u>	<u>(23,801)</u>

Notes to the financial statements

For the year ended 31 March 2021

19. Financial instruments

All assets and liabilities of the Group are measured at amortised cost and thus there are no assets or liabilities measured at fair value requiring disclosure.

20. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
0 (2020 - 268,903) Ordinary A shares of £1.00 each	-	268,903
0 (2020 - 431,099) Ordinary B shares of £1.00 each	-	431,099
700,002 (2020 - 0) Ordinary shares of £1.00 each	700,002	-
	<u>700,002</u>	<u>700,002</u>

During the year, the A and B Ordinary shares were redesignated into Ordinary shares of the same nominal value.

21. Reserves

Share capital

This represents the nominal value of all shares issued.

Share premium

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

This includes the difference on retranslation of entities denominated in foreign currencies.

Profit and loss account

This includes all current and prior periods retained profits and losses.

22. Prior year adjustment

The prior year adjustment arises due to a change in accounting policy whereby the directors of the group took the decision to capitalise sale commissions associated with securing contracts and amortising over the period the service is provided.

Consequently, the posting of the prior year adjustment resulted in a decrease in profit before tax in 2020 of £8,468 and a cumulative increase in the profit and loss reserve brought forward in 2020 of £489,310. The corresponding debit is recognised as capitalised sales commission within Prepayments and accrued income.

Notes to the financial statements

For the year ended 31 March 2021

23. Pension commitments

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £336,936 (2020: £213,322). At the year end there is £72,075 (2020: £68,361) accrued with respect to pension contributions.

24. 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:

	Company 2021 £	Company 2020 £
Not later than 1 year	103,120	124,540
Later than 1 year and not later than 5 years	31,654	134,774
	<u>134,774</u>	<u>259,314</u>

25. Comparative information

Comparative information has been reclassified where necessary to current financial year presentation.

26. Related party transactions

The company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1A which allows non-disclosure of transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Baronscourt Technology Ltd was a company limited by virtue of a common director, Judith O'Brien. During the year, services of £Nil (2020: £13,997) were provided by Baronscourt Technology Ltd to MetaCompliance Limited and all amounts charged in the prior year were discharged by the respective year end date. Judith O'Brien resigned as a director of the company on 30 March 2020. Baronscourt Technology Limited was dissolved on 18 May 2021.

David Mackay Consulting is a company related by virtue of a common director. During the year, services of £75,243 (2020: £39,274) were provided by David Mackay Consulting to MetaCompliance. At the year end, there is an amount owing to David Mackay Consulting of £Nil (2020: £3,200). David Mackay resigned as a director in the company on 23 January 2021.

27. Post balance sheet events

Apart from the ongoing monitoring of the impact of the COVID-19 pandemic as referred to in the Directors' report, there are no other post balance sheet events of note.

Notes to the financial statements

For the year ended 31 March 2021

28. Controlling party

The Company's immediate parent company is Neutron Bidco Limited, a company registered and incorporated in England. The Company's ultimate parent company is Neutron Topco Limited, a company registered and incorporated in England.

MetaCompliance Limited is the smallest and largest group for which consolidated financial statements are prepared. Copies of the group financial statements are available from the Companies House, The Linenhall, 32-38 Linenhall Street, Belfast.

29. Charges on assets

An investor in the company's parent company, Tenzing Private Equity LLP, holds a fixed and floating charge over all the assets of the company.