

Registered number
07137975

MASSIVE ANALYTIC LIMITED

Filleted Accounts

31 December 2020

MASSIVE ANALYTIC LIMITED

Registered number: 07137975

Balance Sheet

as at 31 December 2020

	Notes	2020 £	Revised 2019 £
Fixed assets			
Intangible assets	4	4,569,310	4,266,538
Tangible assets	5	15,652	4,172
		<u>4,584,962</u>	<u>4,270,710</u>
Current assets			
Work in progress		138,173	-
Debtors	6	844,602	653,701
Cash at bank and in hand		6,279	26,133
		<u>989,054</u>	<u>679,834</u>
Creditors: amounts falling due within one year	7	(1,500,075)	(557,361)
Net current (liabilities)/assets		<u>(511,021)</u>	<u>122,473</u>
Total assets less current liabilities		<u>4,073,941</u>	<u>4,393,183</u>
Creditors: amounts falling due after more than one year	8	(43,788)	-
Net assets		<u>4,030,153</u>	<u>4,393,183</u>
Capital and reserves			
Called up share capital		1,101,803	992,399
Share premium		1,559,553	1,559,553
Revaluation reserve	9	4,053,701	4,053,701
Profit and loss account		(2,684,904)	(2,212,470)
Shareholders' funds		<u>4,030,153</u>	<u>4,393,183</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

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

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Mr G Frangou

Director

Approved by the board on 5 July 2021

MASSIVE ANALYTIC LIMITED

Notes to the Accounts

for the year ended 31 December 2020

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses and are amortised at rates calculated to write off the assets over their estimated useful economic lives.

Research and development

Expenditure on research and development is normally written off in the year it is incurred, except that development expenditure incurred on a clearly defined project and of which future recoverability can reasonably be regarded as assured is carried forward as permitted by FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The expenditure carried forward is treated as an intangible fixed asset and amortised over its expected economic life of three years. Deferred development expenditure is reviewed annually, and where future benefits are deemed to have ceased or be in doubt, the balance of any unamortised expenditure is written off to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures, fittings and equipment	over 5 years
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Work in progress

Work in progress represents the accumulated value of time and resources expended on projects that are yet to be invoiced and is stated in the accounts at revenue value.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at

amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2	Exceptional items	2020	2019
		£	£
	Provision for doubtful debt	-	749,954
		<u>-</u>	<u>749,954</u>

3	Employees	2020	2019
		Number	Number
	Average number of persons employed by the company	<u>5</u>	<u>3</u>

4 Intangible fixed assets

	Patent portfolio	Software product	Development costs	Total
	£	£	£	£
Cost				
At 1 January 2020	1,770,000	2,710,000	304,841	4,784,841
Additions	-	-	830,892	830,892
At 31 December 2020	<u>1,770,000</u>	<u>2,710,000</u>	<u>1,135,733</u>	<u>5,615,733</u>
Amortisation				
At 1 January 2020	236,000	180,700	101,603	518,303
Provided during the year	118,000	180,700	229,420	528,120
At 31 December 2020	<u>354,000</u>	<u>361,400</u>	<u>331,023</u>	<u>1,046,423</u>
Net book value				
At 31 December 2020	<u>1,416,000</u>	<u>2,348,600</u>	<u>804,710</u>	<u>4,569,310</u>
At 31 December 2019	<u>1,534,000</u>	<u>2,529,300</u>	<u>203,238</u>	<u>4,266,538</u>

Patent portfolio

The company's patent portfolio was originally valued by the directors by applying the cost approach method and by using the Patent Valuation Calculator developed by a leading patent lawyer and academic.

In December 2019 IPOfferings LLC of New York, USA professionally valued the portfolio and assigned a fair market value between US\$2.0 million and US\$2.65 million. Based on this professional valuation the directors have revalued the portfolio at the mid-range fair market value of £1,770,000 (US\$2.325 million).

The portfolio is being amortised over its overall remaining protection period of 15 years. The patent portfolio is expected to produce future income revenues which will utilise existing tax losses and therefore no deferred tax liability has been recognised on its revaluation.

Software product

The software product developed by the company, Oscar Data Science AI Platform, has been internally valued by using the COCOMO II (Constructive Cost Model). The original Constructive Cost Model was developed by Barry W Boehm in the late 1970s and later revised in 1995 until it was finally published in 2000 in the book Software Cost Estimation with COCOMO II.

The software product is being amortised over its estimated economic life of 15 years. The product is expected to produce future income revenues which will utilise existing tax losses and therefore no deferred tax liability has been recognised on its revaluation.

Development costs

The development costs and accumulated amortisation associated with the Oscar Data Science AI Platform have been eliminated following the capitalisation of the software product. The costs associated with the development of the company's current remaining software products continue to be capitalised and are being written off in equal annual instalments over their estimated economic life of 3 years.

5 Tangible fixed assets

**Fixtures,
fittings &
equipment**

£

Cost

At 1 January 2020	20,585
Additions	14,916
At 31 December 2020	<u>35,501</u>

Depreciation

At 1 January 2020	16,413
Charge for the year	3,436
At 31 December 2020	<u>19,849</u>

Net book value

At 31 December 2020	<u>15,652</u>
At 31 December 2019	4,172

6 Debtors	2020	2019
	£	£
Trade debtors	513,790	499,969
Corporation tax recoverable	329,308	153,732
Other debtors	1,504	-
	<u>844,602</u>	<u>653,701</u>

7 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	176,108	238,500
Trade creditors	511,443	179,931
Other taxes and social security costs	67,340	20,882
Convertible loan notes	320,000	-
Shareholders' loans	62,847	55,347
Other creditors	362,337	62,701
	<u>1,500,075</u>	<u>557,361</u>

8 Creditors: amounts falling due after one year	2020	2019
	£	£
Bank loan	43,788	-
	<u>43,788</u>	<u>-</u>

9 Revaluation reserve	2020	2019
	£	£
At 1 January 2020	4,053,701	2,212,600
Revaluations in year	-	1,841,101
	<u>4,053,701</u>	<u>4,053,701</u>

At 31 December 2020

4,053,701

4,053,701

10 Other information

MASSIVE ANALYTIC LIMITED is a private company limited by shares and incorporated in England. Its registered office is:

26 Hillfield Park

London

N21 3QH

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.