

COMPANY REGISTRATION NUMBER: SC439031

Global Surface Intelligence Ltd

Filleted Unaudited Financial Statements

For the year ended

31 December 2021

Global Surface Intelligence Ltd

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	95,076	–
Tangible assets	6	5,458	6,368
		<u>100,534</u>	<u>6,368</u>
Current assets			
Debtors	7	116,588	147,310
Cash at bank and in hand		148,051	582,165
		<u>264,639</u>	<u>729,475</u>
Creditors: amounts falling due within one year	8	79,277	241,876
		<u>185,362</u>	<u>487,599</u>
Net current assets			
		<u>285,896</u>	<u>493,967</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	9	284,800	289,167
		<u>1,096</u>	<u>204,800</u>
Net assets			
		<u>1,096</u>	<u>204,800</u>
Capital and reserves			
Called up share capital		40	40
Share premium account		2,606,794	2,606,794
Profit and loss account		(2,605,738)	(2,402,034)
		<u>1,096</u>	<u>204,800</u>
Shareholders funds			
		<u>1,096</u>	<u>204,800</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Global Surface Intelligence Ltd

Statement of Financial Position *(continued)*

31 December 2021

These financial statements were approved by the board of directors and authorised for issue on 18 March 2022 , and are signed on behalf of the board by:

P W Young

Director

Company registration number: SC439031

Global Surface Intelligence Ltd

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS. The principal activity of the company during the year was developing its platform and providing near real-time intelligence on natural resources and infrastructure assets for clients and partners. We transform open and commercial satellite, Lidar, IOT and ground survey reference data into commercially valuable information. We process raw data on our machine learning platform publishing the answers as a service on a product subscription basis. This reveals the true value, health, performance and condition of natural and infrastructure assets for asset owners, investors and stakeholders.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Grants

Where grants received are for specific revenue costs they are recognised in the profit and loss when received, subject to the costs being incurred.

Where grants received are for development costs they are treated as deferred credits and credited to the profit and loss account over the useful estimated useful life of the relevant intangible fixed asset.

Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared cashflow forecasts and anticipate that the company will have available funding for the next 12 months. The cashflow projections are reviewed regularly to ensure all liabilities will be met when they fall due. The directors are confident that any funding requirements will be met. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

The turnover shown in the profit and loss account represents amounts earned during the year, exclusive of Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Research and development - 25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred. Research expenditure is written off in the period in which it is incurred.

Tangible assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment - 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial assets, which include trade, other debtors, cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at the market rate of interest for a similar debt instrument. Basic financial liabilities, which include trade creditors and other creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at the market rate of interest for a similar debt instrument. At each reporting date the company assesses whether there is objective evidence that any financial asset has been impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due. The amount of the provision is recognised immediately in profit or loss.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates. Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met. Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification. Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately. Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 14 (2020: 14).

5. Intangible assets

	Development costs £
Cost	
At 1 January 2021	193,729
Additions	—
Additions from internal developments	95,076

At 31 December 2021	288,805

Amortisation	
At 1 January 2021 and 31 December 2021	193,729

Carrying amount	
At 31 December 2021	95,076

At 31 December 2020	—

6. Tangible assets

	Equipment £	Total £
Cost		
At 1 January 2021	20,235	20,235
Additions	2,457	2,457
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At 31 December 2021	22,692	22,692
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Depreciation		
At 1 January 2021	13,867	13,867
Charge for the year	3,367	3,367
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At 31 December 2021	17,234	17,234
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Carrying amount		
At 31 December 2021	5,458	5,458
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At 31 December 2020	6,368	6,368
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7. Debtors

	2021 £	2020 £
Trade debtors	14,329	54,615
Other debtors	102,259	92,695
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	116,588	147,310
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8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	10,000	833
Trade creditors	29,751	14,960
Social security and other taxes	16,869	28,728
Other creditors	22,657	197,355
	79,277	241,876

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	–	49,167
Other creditors	284,800	240,000
	284,800	289,167

Included in Other creditors of £284,800 is a balance of £244,800 (2020: £240,000) which relates to a loan from Scottish Enterprise. The loan is unsecured and has an interest rate of 8%. If the loan is not repaid by 2 October 2023, the loan and accrued interest is convertible into shares subject to certain criteria. Given the fixed-for-fixed criteria is not met, i.e. the exchange is not a fixed amount of cash for a fixed number of the company's own equity instruments, the loan has been recognised as a liability.

10. Share-based payments

Certain employees had been granted options to subscribe for shares in the company under share option schemes as follows: The remaining approved options outstanding, granted on 14 December 2015, 18 December 2018, 21 July 2020 and 26 October 2021 at an option price of £0.48, £6.55, £9.10 and £10.92 are shown below:

	Number of shares
Option exercise period December 2015 to December 2025	4,702
Option exercise period December 2016 to December 2025	619
Option exercise period December 2017 to December 2025	6,559
Option exercise period December 2019 to December 2028	1,764
Option exercise period December 2020 to December 2028	1,764
Option exercise period July 2020 to July 2030	612
Option exercise period December 2020 to July 2030	780
Option exercise period December 2021 to July 2030	1,872
Option exercise period March 2022 to July 2030	468
Option exercise period October 2021 to October 2031	935
Option exercise period December 2021 to October 2031	624
Option exercise period December 2022 to October 2031	3,744
Option exercise period December 2022 to October 2031	2,184

	26,627

The remaining unapproved options outstanding, granted on 14 December 2015, 20 November 2018, 18 December 2018, and 21 July 2020 at an option price of £0.48, £7.56, £9.10, and £10.92 are shown below:

	Number of shares
Option exercise period December 2015 to December 2025	990
Option exercise period December 2017 to December 2025	2,970
Option exercise period November 2018 to November 2028	1,713
Option exercise period December 2018 to December 2028	940
Option exercise period July 2020 to July 2030	2,500

	9,113

The estimated fair value of each share option granted is as follows: Option Number Exercise Price Fair Value
 Approved 11,880 £0.48 £0.44 Approved 3,528 £9.10 £0.21 Approved 3,732 £10.92 £0.26 Approved 7,487 £6.55
 £0.34 Unapproved 3,960 £0.48 £0.44 Unapproved 1,713 £7.56 £0.23 Unapproved 940 £9.10 £0.21 Unapproved
 2,500 £10.92 £0.26

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2021		2020	
	No.	WAEP	No.	WAEP
Outstanding at 1 January 2021	28,253	6.60	49,371	5.51
Granted during the year	7,487	6.55	6,232	10.92
Expired during the year	–	–	(27,350)	(7.71)
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Outstanding at 31 December 2021	35,740	6.17	28,253	6.60
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Exercisable at 31 December 2021	25,913	–	42,016	–
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The total expense recognised in profit or loss for the year is as follows:

	2021	2020
	£	£
Equity-settled share-based payments	1,192	(21,915)
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The estimated fair values were calculated by applying the Black-Scholes option pricing model. The model inputs were Share price at grant date £0.57-£8.89 Exercise price £0.48-£10.92 Expected volatility 70% Expected life 10 years Risk free interest rate 0.136%-1.821% Dividend yield 0%

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.