

Company Registration No. 06052274 (England and Wales)

**METRICELL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# METRICELL LIMITED

## COMPANY INFORMATION

---

**Directors**

Mr L H Alexander  
Mrs T L Hines  
Dr S Mockford  
Mr F J Pareja Pena  
Mr P Richardson  
Mr F J Rowsell  
Mr T J Staniland  
Mr A R Watson

**Company number** 06052274

**Registered office**

The Big Blue  
26 Foundry Lane  
Horsham  
West Sussex  
RH13 5PX

**Auditor**

Carpenter Box  
Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1RL

---

# METRICELL LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

---

# **METRICELL LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

---

The directors present the strategic report and audited financial statements for the year ended 31 March 2022.

#### **Fair review of the business**

The results of the company are set out below. Sales for the financial year amounted to £6,166,642 (YE21 - £5,382,367) generating a profit before taxation of £801,044 (YE21- £332,635).

The company successfully navigated its way out of a difficult economic period still dominated by the pandemic, achieving year on year growth in sales of 14.6%. The company's net assets grew by 15.4% to £4,586,570 (YE21 - £3,974,912).

The directors consider the year-end financial position to be successful given the commercial growth achieved in what was considered to be an uncertain global landscape.

#### **Principal risks and uncertainties**

Management of risk remains critical for the company in delivering growth plans. Risks are regularly reviewed by the board of directors and wider management team, and appropriate processes put in place to monitor and mitigate them.

Our ability to continue as a going concern is primarily achieved through having a stable customer base that deliver recurring revenues. Cashflow is predictable, however we nonetheless hold significant cash reserves when compared to average monthly overheads.

We have no leases or loans other than the £62,000 owed to Aircom Education Limited, which is controlled by Dr Stephen Mockford, who also has a controlling interest in our parent company, Metricell Group Limited. There are currently no plans to recall this loan.

Brexit threats have been well managed with no adverse impacts reported. Foreign exchange is studied to mitigate the threat of losses. Contingency plans are in place to manage threats that may be posed from the supplier base. Our supply chain is small, with very little dependence on it to fulfil contracts. The products and services we do source externally are common, and alternative suppliers can be easily found.

The disruption caused by the Covid-19 pandemic has eased, however high inflation in the UK is being felt, with notable rises in wages and energy costs. We have been able to reduce the impact of rising energy prices by making a significant investment in our own photovoltaics installation, which now accounts for ~50% of our electricity usage.

Operational, financial and commercial risks are considered to be well managed with appropriate safeguarding in place to mitigate threats.

#### **Directors' statement of compliance with duty to promote the success of the company**

The directors are committed to their responsibilities to promote the success of the Company in accordance with section 172 of the Act 2006. Our intention is to behave responsibly and ensure that management operates the business in an appropriate manner, operating with the high standard of business conduct and good governance expected of us.

#### **Development**

Customer retention remains high and the Company is optimistic that the pipeline of commercial enquiries from strategically focussed markets will deliver further growth into 2023 and beyond. Continued investment in research and development will support our efforts to diversify both our product portfolio and the industry verticals in which we operate.

#### **Other performance indicators**

Apart from those measures identified above in the business review, the directors are of the opinion that no further inclusion of financial key performance indicators is necessary for an understanding of the development, performance or position of the company's business.

**METRICELL LIMITED**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

On behalf of the board

Mr T J Staniland  
**Director**

23 December 2022

# **METRICELL LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

---

The directors present their annual report and financial statements for the year ended 31 March 2022.

#### **Principal activities**

The principal activity of the company continued to be that of software development for telecoms.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £236,356. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr L H Alexander  
Mrs T L Hines  
Dr S Mockford  
Mr F J Pareja Pena  
Mr P Richardson  
Mr F J Rowsell  
Mr T J Staniland  
Mr A R Watson

#### **Auditor**

Carpenter Box were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr T J Staniland  
**Director**

23 December 2022

## **METRICELL LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# METRICELL LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRICELL LIMITED

---

### Opinion

We have audited the financial statements of Metricell Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 company's ability to continue as a going concern for a period of at least twelve months from 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 information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **METRICELL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF METRICELL LIMITED**

---

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

- Obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety, employment law and compliance with the UK Companies Act.

## **METRICELL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF METRICELL LIMITED**

---

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

The financial statements of the company for the year ended 31 March 2021 were not audited and therefore the corresponding figures are unaudited.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

**Robin Evans BA FCA CTA (Senior Statutory Auditor)**

**For and on behalf of Carpenter Box**

**Chartered Accountants**

**Statutory Auditor**

**Worthing**

23 December 2022

**Carpenter Box is a trading name of Carpenter Box Limited**



## METRICELL LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

---

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 as restated £
Turnover	3	6,166,642	5,382,367
Cost of sales		(2,194,548)	(2,198,507)
<b>Gross profit</b>		<b>3,972,094</b>	<b>3,183,860</b>
Administrative expenses		(3,185,682)	(2,851,970)
Other operating income		14,581	-
<b>Operating profit</b>	4	<b>800,993</b>	<b>331,890</b>
Interest receivable and similar income	7	51	745
<b>Profit before taxation</b>		<b>801,044</b>	<b>332,635</b>
Tax on profit	8	46,970	81,650
<b>Profit for the financial year</b>		<b>848,014</b>	<b>414,285</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# METRICELL LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		44,200		-
Tangible assets	11		1,171,228		1,124,075
			<u>1,215,428</u>		<u>1,124,075</u>
<b>Current assets</b>					
Stocks	12	3,182		-	
Debtors	13	2,109,463		1,849,047	
Cash at bank and in hand		2,331,625		2,200,614	
		<u>4,444,270</u>		<u>4,049,661</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,073,128)</u>		<u>(1,198,824)</u>	
<b>Net current assets</b>			<u>3,371,142</u>		<u>2,850,837</u>
<b>Net assets</b>			<u>4,586,570</u>		<u>3,974,912</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss reserves			4,585,570		3,973,912
<b>Total equity</b>			<u>4,586,570</u>		<u>3,974,912</u>

The financial statements were approved by the board of directors and authorised for issue on 23 December 2022 and are signed on its behalf by:

Mrs T L Hines  
Director

Mr T J Staniland  
Director

Company Registration No. 06052274

# METRICELL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

---

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>As restated for the period ended 31 March 2021:</b>			
<b>Balance at 1 April 2020</b>	1,000	3,780,390	3,781,390
<b>Period ended 31 March 2021:</b>			
Profit and total comprehensive income for the period	-	414,285	414,285
Dividends	9	(220,763)	(220,763)
<b>Balance at 31 March 2021</b>	1,000	3,973,912	3,974,912
<b>Period ended 31 March 2022:</b>			
Profit and total comprehensive income for the period	-	848,014	848,014
Dividends	9	(236,356)	(236,356)
<b>Balance at 31 March 2022</b>	1,000	4,585,570	4,586,570

---

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

#### Company information

Metricell Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Big Blue, 26 Foundry Lane, Horsham, West Sussex, RH13 5PX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Metricell Group Limited. These consolidated financial statements are available from its registered office, The Big Blue, 26 Foundry Lane, Horsham, West Sussex, RH13 5PX.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered relevant information, including the company's principal risks and uncertainties, the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Straight line over 7 years
----------	----------------------------

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies (Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	Straight line over 50 years (buildings)
Fixtures, fittings & equipment	25% straight line p.a.
Computer equipment	25% straight line p.a.
Motor vehicles	25% diminishing balance p.a.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold land is not depreciated.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

#### ***Other financial liabilities***

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies (Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Software and related sales	3,771,848	2,993,831
Services and consultancy	2,394,794	2,388,536
	<u>6,166,642</u>	<u>5,382,367</u>

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	5,282,282	4,492,013
Europe	216,004	237,091
Rest of the world	668,356	653,263
	<u>6,166,642</u>	<u>5,382,367</u>

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(30,582)	66,060
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	-
Depreciation of owned tangible fixed assets	141,839	149,886
Loss on disposal of tangible fixed assets	478	145
	<u>121,735</u>	<u>316,151</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Directors	8	8
Technical and administration	58	55
Total	<u>66</u>	<u>63</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,102,833	1,801,277
Social security costs	217,280	203,733
Pension costs	49,335	44,749
	<u>2,369,448</u>	<u>2,049,759</u>

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	394,727	412,699
Company pension contributions to defined contribution schemes	11,392	10,840
	<u>406,119</u>	<u>423,539</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2021 - 6).

### 7 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	51	745
	<u>51</u>	<u>745</u>

### 8 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(47,850)	(81,650)
Foreign current tax on profits for the current period	880	-
	<u>(46,970)</u>	<u>(81,650)</u>

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	<u>801,044</u>	<u>332,635</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	152,198	63,201
Tax effect of expenses that are not deductible in determining taxable profit	196	27
Permanent capital allowances in excess of depreciation	(19,721)	14,560
Research and development tax credit	(47,850)	(81,650)
Research and development losses utilised	(132,673)	(77,788)
Foreign tax	880	-
	<u>(46,970)</u>	<u>(81,650)</u>
Taxation credit for the period	<u>(46,970)</u>	<u>(81,650)</u>

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Dividends

	2022 £	2021 £
Final paid	236,356	220,763

### 10 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 April 2021	-
Additions	44,200
At 31 March 2022	44,200
<b>Amortisation and impairment</b>	
At 1 April 2021 and 31 March 2022	-
<b>Carrying amount</b>	
At 31 March 2022	44,200
At 31 March 2021	-

### 11 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2021	979,880	247,734	608,350	10,565	1,846,529
Additions	-	35,981	153,870	-	189,851
Disposals	-	(882)	(4,269)	-	(5,151)
At 31 March 2022	979,880	282,833	757,951	10,565	2,031,229
<b>Depreciation and impairment</b>					
At 1 April 2021	48,995	198,834	467,618	7,007	722,454
Depreciation charged in the year	9,799	39,098	91,828	1,114	141,839
Eliminated in respect of disposals	-	(833)	(3,459)	-	(4,292)
At 31 March 2022	58,794	237,099	555,987	8,121	860,001
<b>Carrying amount</b>					
At 31 March 2022	921,086	45,734	201,964	2,444	1,171,228
At 31 March 2021	930,885	48,900	140,732	3,558	1,124,075

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<b>12 Stocks</b>		<b>2022</b>	<b>2021</b>
		£	£
Finished goods and goods for resale		3,182	-
		<u>          </u>	<u>          </u>

<b>13 Debtors</b>		<b>2022</b>	<b>2021</b>
		£	£
<b>Amounts falling due within one year:</b>			
Trade debtors		1,633,731	1,561,837
Corporation tax recoverable		129,500	81,650
Amounts owed by group undertakings		1,000	1,000
Other debtors		1,174	799
Prepayments and accrued income		344,058	203,761
		<u>          </u>	<u>          </u>
		2,109,463	1,849,047
		<u>          </u>	<u>          </u>

<b>14 Creditors: amounts falling due within one year</b>		<b>2022</b>	<b>2021</b>
		£	£
Trade creditors		245,901	185,632
Taxation and social security		251,144	319,324
Other creditors		74,688	72,810
Accruals and deferred income		501,395	621,058
		<u>          </u>	<u>          </u>
		1,073,128	1,198,824
		<u>          </u>	<u>          </u>

There is a loan due to a connected company included within other creditors which have no terms and are therefore repayable on demand. Whilst the classification as current liabilities reflects the contractual nature of the loans, there is no expectation this will be called upon within the next 12 months.

<b>15 Retirement benefit schemes</b>		<b>2022</b>	<b>2021</b>
		£	£
<b>Defined contribution schemes</b>			
Charge to profit or loss in respect of defined contribution schemes		49,335	44,749
		<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

<b>16 Share capital</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		Number	Number	£	£
<b>Ordinary share capital</b>					
<b>Issued and fully paid</b>					
Ordinary shares of £1 each		1,000	1,000	1,000	1,000
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	8,858	5,020
Between two and five years	3,585	-
	<u>12,443</u>	<u>5,020</u>
	<u><u>12,443</u></u>	<u><u>5,020</u></u>

### 18 Events after the reporting date

Dividends of £207,600 have been declared since the balance sheet date.

### 19 Related party transactions

At the balance sheet date the company owed £62,000 (2021 - £62,000) to Aircom Education Limited which is included in creditors falling due within one year. Dr S Mockford is a director of Aircom Education Limited.

### 20 Ultimate controlling party

The parent company is Metricell Group Limited. Its registered office is The Big Blue, 26 Foundry Lane, Horsham, West Sussex, England, RH13 5PX.

Metricell Group Limited prepares consolidated financial statements, which are available from Companies House.

# METRICELL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 21 Prior period adjustment

#### Reconciliation of changes in equity

	1 April 2020 £	31 March 2021 £
<b>Adjustments to prior year</b>		
Deferred income	(61,870)	(63,552)
Sales commission accrual	-	(38,517)
Research and development tax credit	-	81,650
Total adjustments	(61,870)	(20,419)
Equity as previously reported	3,843,260	3,995,331
Equity as adjusted	<u>3,781,390</u>	<u>3,974,912</u>
<b>Analysis of the effect upon equity</b>		
Profit and loss reserves	<u>(61,870)</u>	<u>(20,419)</u>

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Deferred income	(63,552)
Sales commission accrual	(38,517)
Research and development tax credit	81,650
Total adjustments	(20,419)
Profit as previously reported	434,704
Profit as adjusted	<u>414,285</u>

#### Notes to reconciliation

A loan due to a connected company was classified as non current in the prior year. As no formal contract is in place the loan has been restated and is included within current liabilities as this is due on demand.

Sales commissions totalling £38,517 paid in April 2021 but relating to March 2021 have been adjusted by increasing accruals as at 31 March 2021. Additionally, income of £63,552 recognised in the year ended 31 March 2021 has been deferred as related to services provided in the year ended 31 March 2022.

A tax credit has been claimed in relation to the research and development expenditure in the year to 31 March 2021 which has resulted in £81,650 becoming repayable.

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.