

Company Registration No. 06417349 (England and Wales)

METRICELL GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

METRICELL GROUP LIMITED

COMPANY INFORMATION

Directors

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

Secretary Dr S Mockford

Company number 06417349

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 GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 24

METRICELL GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report and audited financial statements for the year ended 31 March 2023.

Fair review of the business

The results of the group are set out below. Sales for the financial year amounted to £6,462,935 (21/22 - £6,166,643) generating a profit before taxation of £545,088 (21/22 - £801,044).

The group has successfully navigated its way through a difficult period of high inflation in the UK, achieving year on year growth in sales of 4.8%. The group's net assets grew by 7.1% to £4,909,720 (21/22 - £4,585,695).

The Directors consider the year-end financial position to be successful given the growth and profitability we have achieved against this challenging economic backdrop.

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 are also now benefitting from an income generated by this cash, through the use of bonds and interest-paying accounts. This has also enabled us to better manage risk, by diversifying the number of financial institutions we entrust.

As at 31st March 2023, we had no leases or loans other than the £62,000 owed to Aircom Education Limited. Following the financial year end, we received a request to repay this loan in full, and have now done so.

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 sources we do source externally are common, and alternative suppliers can be easily found. We have also introduced further due diligence checks as part of our supplier onboarding process.

High inflation in the UK has continued to be felt directly, with notable rises in energy costs. Our own photovoltaics installation, which accounts for ~50% of our electricity usage, has been key to minimising this impact. We have kept pace with wage inflation too, and this is reflected in our high levels of staff retention.

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 group

The Directors are committed to their responsibilities to promote the success of the group 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 our key accounts consistently choose to invest further in the technology and services we provide. Our continued investment in research and development, particularly in the field of artificial intelligence, has enabled us to diversify both our product portfolio and the industry verticals in which we operate. We are both excited and optimistic that the pipeline of commercial enquiries from strategically focussed markets will deliver further growth into 2024 and beyond.

METRICELL GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

On behalf of the board

Mr T J Staniland
Director

8 December 2023

METRICELL GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of a holding company.

The group's trade is 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 £276,357. 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 T J Staniland
Mr A R Watson
Mr F J Rowsell

Auditor

Carpenter Box were appointed as auditor to the group 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 auditor of the company 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 auditor of the company is aware of that information.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

On behalf of the board

Mr T J Staniland
Director

8 December 2023

METRICELL GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

METRICELL GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METRICELL GROUP LIMITED

Opinion

We have audited the financial statements of Metricell Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 March 2023 and of the group's 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 group's and parent 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 GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF METRICELL GROUP LIMITED

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 group operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the group'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 group 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 GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF METRICELL GROUP 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 group 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.

Kristina Perry FCCA (Senior Statutory Auditor)
For and on behalf of Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

8 December 2023

Carpenter Box is a trading name of Carpenter Box Limited



METRICELL GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	6,462,935	6,166,643
Cost of sales		(2,357,019)	(2,194,549)
Gross profit		4,105,916	3,972,094
Administrative expenses		(3,571,715)	(3,185,682)
Other operating income		-	14,581
Operating profit	4	534,201	800,993
Interest receivable and similar income	7	10,887	51
Profit before taxation		545,088	801,044
Tax on profit	8	62,217	46,970
Profit for the financial year		607,305	848,014

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

METRICELL GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	10	148,462		44,200	
Tangible assets	11	1,332,599		1,171,228	
		<u>1,481,061</u>		<u>1,215,428</u>	
Current assets					
Stocks	14	5,994		3,182	
Debtors	15	1,928,442		2,108,588	
Cash at bank and in hand		2,749,580		2,331,625	
		<u>4,684,016</u>		<u>4,443,395</u>	
Creditors: amounts falling due within one year	16	<u>(1,255,357)</u>		<u>(1,073,128)</u>	
Net current assets			3,428,659		3,370,267
Net assets			<u>4,909,720</u>		<u>4,585,695</u>
Capital and reserves					
Called up share capital	18	124		125	
Capital redemption reserve		1		-	
Profit and loss reserves		4,909,595		4,585,570	
Total equity		<u>4,909,720</u>		<u>4,585,695</u>	

The financial statements were approved by the board of directors and authorised for issue on 8 December 2023 and are signed on its behalf by:

Mrs T L Hines
Director

Mr T J Staniland
Director

METRICELL GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	12		1,000		1,000
Current assets					
Debtors	15	217,080		125	
Creditors: amounts falling due within one year	16	-		(1,000)	
Net current assets/(liabilities)			217,080		(875)
Net assets			218,080		125
Capital and reserves					
Called up share capital	18		124		125
Capital redemption reserve			1		-
Profit and loss reserves			217,955		-
Total equity			218,080		125

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £501,235 (2022 - £236,356 profit).

The financial statements were approved by the board of directors and authorised for issue on 8 December 2023 and are signed on its behalf by:

Mrs T L Hines
Director

Mr T J Staniland
Director

Company Registration No. 06417349

METRICELL GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2021		125	-	3,973,912	3,974,037
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	848,014	848,014
Dividends	9	-	-	(236,356)	(236,356)
Balance at 31 March 2022		125	-	4,585,570	4,585,695
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	-	607,305	607,305
Dividends	9	-	-	(276,357)	(276,357)
Own shares acquired		-	-	(6,923)	(6,923)
Redemption of shares	18	(1)	1	-	-
Balance at 31 March 2023		124	1	4,909,595	4,909,720

METRICELL GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2021		125	-	-	125
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	236,356	236,356
Dividends	9	-	-	(236,356)	(236,356)
Balance at 31 March 2022		125	-	-	125
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	-	501,235	501,235
Dividends	9	-	-	(276,357)	(276,357)
Own shares acquired		-	-	(6,923)	(6,923)
Redemption of shares	18	(1)	1	-	-
Balance at 31 March 2023		124	1	217,955	218,080

METRICELL GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21	1,011,113		601,866	
Income taxes refunded/(paid)		102,375		(880)	
Net cash inflow from operating activities		1,113,488		600,986	
Investing activities					
Purchase of intangible assets		(127,569)		(44,200)	
Purchase of tangible fixed assets		(295,570)		(189,851)	
Proceeds on disposal of tangible fixed assets		-		381	
Interest received		10,887		51	
Net cash used in investing activities		(412,252)		(233,619)	
Financing activities					
Own shares acquired		(6,924)		-	
Dividends paid to equity shareholders		(276,357)		(236,356)	
Net cash used in financing activities		(283,281)		(236,356)	
Net increase in cash and cash equivalents		417,955		131,011	
Cash and cash equivalents at beginning of year		2,331,625		2,200,614	
Cash and cash equivalents at end of year		2,749,580		2,331,625	

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Metricell Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Big Blue, 26 Foundry Lane, Horsham, West Sussex, RH13 5PX.

The group consists of Metricell Group Limited and all of its subsidiaries.

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- 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.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Metricell Group Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have considered relevant information, including the group's principal risks and uncertainties and the impact of subsequent events in making their assessment. Based on these assessments and having regard to the resources available to the group, 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.

1.4 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.

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 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.

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
----------	----------------------------

1.6 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:

Freehold land and buildings	Straight line over 50 years (buildings)
Plant and equipment	4% straight line p.a.
Fixtures and fittings	25% straight line p.a.
Computers	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 recognised in the profit and loss account.

Freehold land is not depreciated.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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.

1.9 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.

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The group 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.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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 cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 Taxation

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

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group'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

	2023 £	2022 £
Turnover analysed by class of business		
Software and related sales	3,917,915	3,771,849
Services and consultancy	2,545,020	2,394,794
	<u>6,462,935</u>	<u>6,166,643</u>
	2023 £	2022 £
Other significant revenue		
Interest income	10,887	51
	<u>10,887</u>	<u>51</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	5,608,208	5,282,283
Europe	437,553	216,004
Rest of the world	417,174	668,356
	<u>6,462,935</u>	<u>6,166,643</u>

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(88,088)	(30,582)
Depreciation of owned tangible fixed assets	134,199	141,839
(Profit)/loss on disposal of tangible fixed assets	-	478
Amortisation of intangible assets	23,307	-
	<u>23,307</u>	<u>-</u>

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,000	-
Audit of the financial statements of the company's subsidiaries	12,000	10,000
	<u>14,000</u>	<u>10,000</u>

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Directors	8	8	-	-
Technical and Administration	64	58	-	-
Total	<u>72</u>	<u>66</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	2,395,490	2,102,833	-	-
Social security costs	268,931	217,280	-	-
Pension costs	60,957	49,335	-	-
	<u>2,725,378</u>	<u>2,369,448</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	10,887	51
	<u>10,887</u>	<u>51</u>

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(89,342)	(47,850)
Adjustments in respect of prior periods	9,552	-
Total UK current tax	(79,790)	(47,850)
Foreign current tax on profits for the current period	17,573	880
Total current tax	(62,217)	(46,970)

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:

	2023 £	2022 £
Profit before taxation	545,088	801,044
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	103,567	152,198
Tax effect of expenses that are not deductible in determining taxable profit	2,571	196
Unutilised tax losses carried forward	8	-
Adjustments in respect of prior years	9,552	-
Permanent capital allowances in excess of depreciation	(37,412)	(19,721)
Research and development tax credit	(89,342)	(47,850)
Research and development losses utilised	(68,734)	(132,673)
Foreign tax	17,573	880
Taxation credit	(62,217)	(46,970)

9 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Final paid	276,357	236,356

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Intangible fixed assets

Group	Software £
Cost	
At 1 April 2022	44,200
Additions	127,569
At 31 March 2023	171,769
Amortisation and impairment	
At 1 April 2022	-
Amortisation charged for the year	23,307
At 31 March 2023	23,307
Carrying amount	
At 31 March 2023	148,462
At 31 March 2022	44,200

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

11 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 April 2022	979,880	-	282,833	757,951	10,565	2,031,229
Additions	-	103,781	2,794	184,300	4,695	295,570
Disposals	-	-	-	(6,652)	-	(6,652)
At 31 March 2023	979,880	103,781	285,627	935,599	15,260	2,320,147
Depreciation and impairment						
At 1 April 2022	58,794	-	237,099	555,987	8,121	860,001
Depreciation charged in the year	9,799	3,269	22,199	98,125	807	134,199
Eliminated in respect of disposals	-	-	-	(6,652)	-	(6,652)
At 31 March 2023	68,593	3,269	259,298	647,460	8,928	987,548
Carrying amount						
At 31 March 2023	911,287	100,512	26,329	288,139	6,332	1,332,599
At 31 March 2022	921,086	-	45,734	201,964	2,444	1,171,228

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets (Continued)

12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	13	-	-	1,000	1,000

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022 and 31 March 2023	1,000
Carrying amount	
At 31 March 2023	1,000
At 31 March 2022	1,000

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Metricell Limited	The Big Blue, 26 Foundry Lane, Horsham, RH13 5PX	Telecom software development	Ordinary shares	100.00

14 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	5,994	3,182	-	-

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,589,665	1,633,731	-	-
Unpaid share capital	125	125	125	125
Corporation tax recoverable	89,342	129,500	-	-
Amounts owed by group undertakings	-	-	216,955	-
Other debtors	2,799	1,174	-	-
Prepayments and accrued income	246,511	344,058	-	-
	<u>1,928,442</u>	<u>2,108,588</u>	<u>217,080</u>	<u>125</u>

16 Creditors: amounts falling due within one year

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Trade creditors	354,423	245,901	-	-
Amounts owed to group undertakings	-	-	-	1,000
Other taxation and social security	350,379	251,144	-	-
Other creditors	76,142	74,688	-	-
Accruals and deferred income	474,413	501,395	-	-
	<u>1,255,357</u>	<u>1,073,128</u>	<u>-</u>	<u>1,000</u>

17 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	60,957	49,335

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and not fully paid				
Ordinary A shares of 10p each	913	913	91	91
Ordinary B shares of 10p each	117	117	12	12
Ordinary C shares of 10p each	207	216	21	22
	<u>1,237</u>	<u>1,246</u>	<u>124</u>	<u>125</u>

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Share capital

(Continued)

The above share classes have the following rights,

A ordinary shares: Ordinary voting with a) voting rights, b) right to dividend/distribution, c) right to capital/distribution and d) may be redeemed at the option of the company

B ordinary shares: Rank pari passu with A ordinary shares and C ordinary shares with regard to voting (subject to below), income and capital rights. Subject to pre-emption rights on transfer. On owner of B shares becoming a leaver, shareholder required to vote as directed by majority of shareholders

C ordinary shares: Rank pari passu with A ordinary shares and B ordinary shares with regard to voting (subject to below), income and capital rights. Subject to pre-emption rights on transfer. Subject to deemed transfer requirements on bankruptcy or termination of employment. On owner of C shares becoming a leaver, shareholder required to vote as directed by majority of shareholders

During the year the company re-purchased 9 Ordinary C shares for cancellation in 3 tranches of 3 shares on 23 December 2022, 27 January 2023 and 21 March 2023.

19 Operating lease commitments

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	3,841	8,858	-	-
Between two and five years	-	3,585	-	-
	<u>3,841</u>	<u>12,443</u>	<u>-</u>	<u>-</u>

20 Related party transactions

At the balance sheet date the company owed £62,000 (2022 - £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.

METRICELL GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	607,305	848,014
Adjustments for:		
Taxation credited	(62,217)	(46,970)
Investment income	(10,887)	(51)
(Gain)/loss on disposal of tangible fixed assets	-	478
Amortisation and impairment of intangible assets	23,307	-
Depreciation and impairment of tangible fixed assets	134,199	141,839
Movements in working capital:		
Increase in stocks	(2,812)	(3,182)
Decrease/(increase) in debtors	139,989	(212,566)
Increase/(decrease) in creditors	182,229	(125,696)
Cash generated from operations	1,011,113	601,866

22 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	2,331,625	417,955	2,749,580

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.