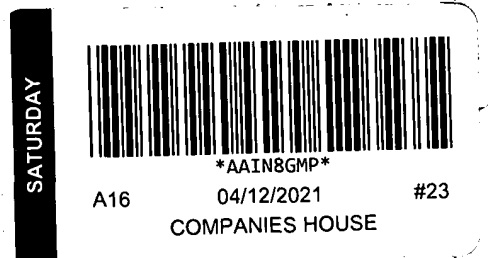


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**FEATURESPACE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



**LAKIN ROSE**  
CHARTERED ACCOUNTANTS

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**FEATURESPACE LIMITED**

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**FEATURESPACE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FEATURESPACE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D A Excell Dr G Garrard L Garrett G Hurst IP2IPO Services Limited L A Jaffe M King E Lockhart R Sansom
<b>Company secretary</b>	D A Excell
<b>Registered number</b>	05640420
<b>Registered office</b>	140 Cambridge Science Park Milton Road Cambridge CB4 0GF
<b>Independent auditors</b>	Lakin Rose Limited Chartered Accountants & Statutory Auditors Pioneer House Vision Park Histon Cambridge CB24 9NL

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**FEATURESPACE LIMITED**

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## FEATURESPACE LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

The directors present their strategic report for the year end 31 December 2020 for Featurespace Limited ("the Company"). Featurespace Limited is the parent company of the Featurespace Group ("the Group"). The company is the principal contracting entity for financial institutions and other customers across the Group's financial crime and fraud detection and prevention software business.

#### Business review

In 2020, the successful deployment of software to direct and indirect customers via transactional and license deals drove a 75% increase in year end annual recurring revenue. Overall group revenue increased 19% to £21,033,149 (2019: £17,678,467), achieving a 5 year compound growth rate of 82%. The group has continued to grow its revenue base internationally and was recognized with the Queen's Award for Enterprise for International Trade. Net cash increased by £14,409,208 to £29,381,034 as at 31 December 2020. The net loss for the year, after taxation, amounted to £11,786,365 (2019: loss of £ 10,297,947).

The principal activity of the Group is the licensing of financial crime, fraud detection and prevention software to the financial services industry. Research and development activities continued with respect to the development of the ARIC platform and the directors expect this activity to continue.

The Group's current strategy is to:

- Supply fraud detection and prevention and anti-money laundering software solutions to the global payments industry targeting use cases for payment processors, banks and merchant acquirers
- Offer a range of targeted solutions running on the ARIC platform to address different financial crime and fraud prevention use cases
- Identify and expand into relevant adjacent markets to maximise the value of the solution to customers

The Group is showing record growth in demand for its solutions and is confident in its future outlook.

#### Principal risks and uncertainties

The Board has overall responsibility for risk management and internal controls. The principal risks and uncertainties faced by the Group are:

**Information Security.** The Group is often required and authorised by its customers to work with confidential information in the deployment of its software and services. The Group employs appropriate security and testing measures for the software it deploys. However, these may not protect against all possible security breaches that could harm the Group's or its customers' business both financially and reputationally. The Group employs security and testing measures for the software it deploys and on internal systems to mitigate this risk.

**Regulatory Compliance.** The Group's work with confidential information means that it is imperative to ensure compliance with the regulatory framework including GDPR. The enhancement and expansion of the requirements that were made to data protection legislation under GDPR added to the complexity of handling customer data and increased the Group's responsibilities. Failure to protect data in accordance with these regulations could result in financial penalties and reputational risk for the Group. The Group employs measures to mitigate against this risk including workforce training, physical and cybersecurity measures.

**Business Continuity.** Given the group's customer base in the financial services industry it is critical to ensure the business is well positioned to maintain continuity in the event of an unforeseen incident. The Group's software forms part of the real-time decisioning within its customers payment authorization processes to detect and prevent fraud so any failure could lead to financial losses for customers and lead to the Group missing contractual service level agreements. The Group has put in place measures to ensure that any disruptions to the business can be mitigated and these plans are reviewed and improved on an ongoing basis.

**Intellectual Property rights.** As a high growth, technology business, the Group recognises the need to address

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**FEATURESPACE LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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the risks associated with the legal costs of protecting and enforcing its intellectual property rights. Failure to do so could lead to significant financial loss. The Group is mitigating this risk through appropriate measures to record and protect its intellectual property.

COVID-19. The Group successfully transitioned to remote working during the COVID-19 outbreak but is now returning to offices. Ensuring the health and safety of all employees remains a priority for the Group which could lead to additional costs or inefficiencies in operations which are necessary to comply with changing guidance across the multiple jurisdictions in which the Group operates.

**Financial key performance indicators**

The Group has 50 customers (2019: 41) and continued to generate strong bookings in the year. The majority of contracts are signed on a term basis with terms typically ranging between three and five years.

The directors monitor revenue and profits or losses as set out in the statement of profit or loss on page 9. The directors are of the opinion that disclosing additional key performance indicators, other than those above, is not necessary to understand the development, performance and position of the business.

This report was approved by the board on 11/24/2021 and signed on its behalf.

**M King**  
Director

DocuSigned by:  
*Martina King*  
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**FEATURESPACE LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the year, after taxation, amounted to £11,786,365 (2019 - loss £10,297,947).

No dividends were paid in the year. No dividend payable is recommended.

**Directors**

The directors who served during the year were:

D A Excell  
Dr G Garrard  
L Garrett  
G Hurst  
IP2IPO Services Limited  
L A Jaffe  
M King  
E Lockhart  
P M Pearson (resigned 17 May 2021)  
R Sansom

**Future developments**

The company expects strong growth to continue in 2021 with growth driven by expansion of the team in the US and continued uptake of the company's fraud prevention and detection software in Europe.

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**FEATURESPACE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Disclosure of information to auditors**

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

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

**Post balance sheet events**

There are no post balance sheet events.

This report was approved by the board on 11/24/2021 and signed on its behalf.

**M King**  
Director

DocuSigned by:  
*Martina King*  
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**FEATURESPACE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED**

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**Opinion**

We have audited the financial statements of Featurespace Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the 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.

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## FEATURESPACE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' 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.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 Group's and 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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## FEATURESPACE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)

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#### **Auditors' 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 auditors' 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 Group 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:

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### **Identifying and assessing potential risks related to irregularities**

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

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We identified no such laws and regulations applicable to the Group.

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**FEATURESPACE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)**

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**Audit response to risks identified**

As a result of performing the above, we identified revenue recognition as a key audit risk related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**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 auditors' 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.



Christopher Dougherty (senior statutory auditor)

for and on behalf of  
**Lakin Rose Limited**

Chartered Accountants  
Statutory Auditors

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

Date: 25 November 2021

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**FEATURESPACE LIMITED**


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	2020 £	2019 £
Turnover	21,033,149	17,678,467
Cost of sales	(413,021)	(1,263,543)
<b>Gross profit</b>	<b>20,620,128</b>	<b>16,414,924</b>
Administrative expenses	(35,582,663)	(29,742,965)
Other operating income	373,047	368,945
<b>Operating loss</b>	<b>(14,589,488)</b>	<b>(12,959,096)</b>
Interest receivable and similar income	4,897	6,728
Interest payable and similar expenses	-	(417)
<b>Loss before taxation</b>	<b>(14,584,591)</b>	<b>(12,952,785)</b>
Tax on loss	2,798,226	2,654,838
<b>Loss for the financial year</b>	<b>(11,786,365)</b>	<b>(10,297,947)</b>
Currency translation differences on consolidation	408,513	59,000
<b>Other comprehensive income for the year</b>	<b>408,513</b>	<b>59,000</b>
<b>Total comprehensive income for the year</b>	<b>(11,377,852)</b>	<b>(10,238,947)</b>
<b>(Loss) for the year attributable to:</b>		
Owners of the parent Company	(11,786,365)	(10,297,947)
	<b>(11,786,365)</b>	<b>(10,297,947)</b>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the parent Company	(11,377,852)	(10,238,947)
	<b>(11,377,852)</b>	<b>(10,238,947)</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 15 to 30 form part of these financial statements.

**FEATURESPACE LIMITED**  
**REGISTERED NUMBER: 05640420**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	2,094,774	1,428,931
		<u>2,094,774</u>	<u>1,428,931</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	18,490,626	14,313,665
Cash at bank and in hand		29,381,034	14,971,826
		<u>47,871,660</u>	<u>29,285,491</u>
Creditors: amounts falling due within one year	13	(10,109,425)	(9,592,546)
<b>Net current assets</b>		<u>37,762,235</u>	<u>19,692,945</u>
<b>Total assets less current liabilities</b>		<u>39,857,009</u>	<u>21,121,876</u>
<b>Net assets</b>		<u><u>39,857,009</u></u>	<u><u>21,121,876</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	4,003	3,462
Share premium account	16	83,850,465	53,909,635
Foreign exchange reserve	16	389,486	(19,027)
Profit and loss account	16	(44,386,945)	(32,772,194)
		<u>39,857,009</u>	<u>21,121,876</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/24/2021

**M King**  
Director

DocuSigned by:  
*Martina King*  
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The notes on pages 15 to 30 form part of these financial statements.


**FEATURESPACE LIMITED**  
**REGISTERED NUMBER: 05640420**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	1,934,978	1,245,605
Investments	11	128	127
		<u>1,935,106</u>	<u>1,245,732</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	27,888,981	19,762,602
Cash at bank and in hand		29,110,025	14,705,138
		<u>56,999,006</u>	<u>34,467,740</u>
Creditors: amounts falling due within one year	13	(9,538,928)	(9,395,407)
<b>Net current assets</b>		<u>47,460,078</u>	<u>25,072,333</u>
<b>Total assets less current liabilities</b>		<u>49,395,184</u>	<u>26,318,065</u>
<b>Net assets</b>		<u><u>49,395,184</u></u>	<u><u>26,318,065</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	4,003	3,462
Share premium account	16	83,850,465	53,909,635
Profit and loss account	16	(34,459,284)	(27,595,032)
		<u>49,395,184</u>	<u>26,318,065</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/24/2021

**M King**  
Director

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The notes on pages 15 to 30 form part of these financial statements.

## FEATURESPACE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
<b>At 1 January 2019</b>	2,589	28,563,103	(78,027)	-	(22,610,708)	5,876,957
Loss for the year	-	-	-	-	(10,297,947)	(10,297,947)
Currency translation differences	-	-	59,000	-	-	59,000
Shares issued during the year	873	25,346,532	-	-	-	25,347,405
Transfer to/from profit and loss account	-	-	-	(136,461)	136,461	-
Share based payments	-	-	-	136,461	-	136,461
<b>At 1 January 2020</b>	3,462	53,909,635	(19,027)	-	(32,772,194)	21,121,876
Loss for the year	-	-	-	-	(11,786,365)	(11,786,365)
Currency translation differences	-	-	408,513	-	-	408,513
Shares issued during the year	541	29,940,830	-	-	-	29,941,371
Transfer to/from profit and loss account	-	-	-	(171,614)	171,614	-
Share based payments	-	-	-	171,614	-	171,614
<b>At 31 December 2020</b>	4,003	83,850,465	389,486	-	(44,386,945)	39,857,009

The notes on pages 15 to 30 form part of these financial statements.

## FEATURESPACE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	2,589	28,563,103	-	(19,829,629)	8,736,063
Loss for the year	-	-	-	(7,901,864)	(7,901,864)
Shares issued during the year	873	25,346,532	-	-	25,347,405
Transfer to/from profit and loss account	-	-	(136,461)	136,461	-
Share based payments	-	-	136,461	-	136,461
<b>At 1 January 2020</b>	3,462	53,909,635	-	(27,595,032)	26,318,065
Loss for the year	-	-	-	(7,035,866)	(7,035,866)
Shares issued during the year	541	29,940,830	-	-	29,941,371
Transfer to/from profit and loss account	-	-	(171,614)	171,614	-
Share based payments	-	-	171,614	-	171,614
<b>At 31 December 2020</b>	4,003	83,850,465	-	(34,459,284)	49,395,184

The notes on pages 15 to 30 form part of these financial statements.

## FEATURESPACE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(11,786,365)	(10,297,947)
<b>Adjustments for:</b>		
Depreciation of tangible assets	944,599	566,011
Interest received	(4,897)	(6,728)
Taxation charge	(3,171,273)	(3,023,783)
(Increase) in debtors	(2,730,922)	(4,032,981)
Increase in creditors	516,878	3,123,114
Corporation tax received	1,725,236	1,023,830
<b>Net cash generated from operating activities</b>	<b>(14,506,744)</b>	<b>(12,648,484)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,610,443)	(1,132,215)
Interest received	4,897	6,728
<b>Net cash from investing activities</b>	<b>(1,605,546)</b>	<b>(1,125,487)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	29,941,371	25,347,406
Share based payments	171,614	136,460
<b>Net cash used in financing activities</b>	<b>30,112,985</b>	<b>25,483,866</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,000,695</b>	<b>11,709,895</b>
Cash and cash equivalents at beginning of year	14,971,826	3,202,931
Foreign exchange gains and losses	408,513	59,000
<b>Cash and cash equivalents at the end of year</b>	<b>29,381,034</b>	<b>14,971,826</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	29,381,034	14,971,826
	<b>29,381,034</b>	<b>14,971,826</b>

The notes on pages 15 to 30 form part of these financial statements.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Featurespace Limited ("the company") is the parent company of a trading group. Its activities relate to the development and provision of fraud prevention software.

The company is incorporated in England and Wales as a members limited liability company. The registered office is located at 140 Cambridge Science Park, Milton Road, Cambridge, CB4 0GF.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases

**2.3 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the company will continue as a going concern for the foreseeable future.

The company investors have continued to financially support the company, committing to a further funding round of £30million in exchange for shares which completed in May 2020. The directors have prepared cash flow forecasts which confirm that the cash balance along with sales revenues will enable the company to remain a going concern for at least the next 12 months.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue derived from term licence and support agreements is recognised over the period of the agreements.

Revenue derived from perpetual licences is recognised immediately on issue.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.7 Pensions**

**Defined contribution pension plan**

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

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

**2.8 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.9 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.10 Research and development**

Research and development expenditure is written off to the statement of comprehensive income in the period in which it is incurred.

**2.11 Tangible fixed assets**

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

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Other fixed assets	- over 1 year

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience.

(iii) Revenue recognition

The amount of accrued and deferred income relies on the correct estimation of the level of completion of each relevant assignment. These estimations are reviewed on a monthly basis to ensure they remain in line with expectations.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Fraud prevention	21,033,149	17,678,467
	<u>21,033,149</u>	<u>17,678,467</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	6,084,795	5,062,964
Rest of Europe	3,941,267	2,900,897
Rest of the world	11,007,088	9,714,606
	<u>21,033,150</u>	<u>17,678,467</u>

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	20,250	19,000
Exchange differences	556,871	207,617
Other operating lease rentals	1,595,122	766,137
Depreciation	944,600	566,011
	<u>944,600</u>	<u>566,011</u>

**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>20,250</u>	<u>19,000</u>

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**FEATURESPACE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**7. Employees**

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Wages and salaries	21,901,892	18,672,768	17,295,963	15,595,951
Social security costs	2,465,505	1,926,284	2,135,509	1,720,602
Cost of defined contribution scheme	1,937,538	637,275	1,534,301	560,910
	<u>26,304,935</u>	<u>21,236,327</u>	<u>20,965,773</u>	<u>17,877,463</u>

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

	<b>Group 2020 No.</b>	<i>Group 2019 No.</i>	<b>Company 2020 No.</b>	<i>Company 2019 No.</i>
All employees	<u>294</u>	<u>240</u>	<u>250</u>	<u>212</u>

**8. Directors' remuneration**

	<b>2020 £</b>	<i>2019 £</i>
Directors' emoluments	638,870	669,947
Company contributions to defined contribution pension schemes	18,682	9,785
	<u>657,552</u>	<u>679,732</u>

During the year retirement benefits were accruing to 2 directors (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £300,769 (2019 - £323,295).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,866 (2019 - £9,785).

## FEATURESPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on loss for the year	(2,798,226)	(2,644,769)
Adjustments in respect of previous periods	-	(10,069)
	<u>(2,798,226)</u>	<u>(2,654,838)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(14,584,591)</u>	<u>(12,952,785)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,771,072)	(2,461,029)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	46,194	38,605
Capital allowances for year in excess of depreciation	(67,220)	(96,907)
Adjustments to tax charge in respect of prior periods	-	(10,069)
Short term timing difference leading to an increase (decrease) in taxation	3,275	13,794
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(1,163,654)	(1,098,067)
Tax deduction arising from exercise of employee options	(2,867)	(56,915)
Unrelieved tax losses carried forward	1,157,118	1,015,750
<b>Total tax charge for the year</b>	<u>(2,798,226)</u>	<u>(2,654,838)</u>

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Taxation (continued)**

**Factors that may affect future tax charges**

Trading losses which are eligible for relief against future trading profits have not been recognised as a deferred tax asset because their recovery is not yet probable.

The group expects to continue to be eligible and make claims for future research and development enhanced allowances and tax credits.

**10. Tangible fixed assets**

**Group**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 January 2020	2,451,864
Additions	1,610,442
	4,062,306
At 31 December 2020	4,062,306
<b>Depreciation</b>	
At 1 January 2020	1,022,932
Charge for the year on owned assets	944,600
	1,967,532
At 31 December 2020	1,967,532
<b>Net book value</b>	
At 31 December 2020	2,094,774
At 31 December 2019	1,428,931

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**FEATURESPACE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**10. Tangible fixed assets (continued)****Company**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 January 2020	2,198,532
Additions	1,556,838
At 31 December 2020	<u>3,755,370</u>
<b>Depreciation</b>	
At 1 January 2020	952,927
Charge for the year on owned assets	867,465
At 31 December 2020	<u>1,820,392</u>
<b>Net book value</b>	
At 31 December 2020	<u>1,934,978</u>
At 31 December 2019	<u>1,245,605</u>

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**FEATURESPACE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**11. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2020	127
Additions	1
At 31 December 2020	<u>128</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Featurespace Inc	Ordinary	100%
Featurespace Australia PTY Limited	Ordinary	100%
Featurespace PTE Ltd	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Featurespace Inc	(9,538,101)	(4,750,498)
Featurespace Australia PTY Limited	53	-
Featurespace PTE Ltd	1	-

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Debtors**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Trade debtors	5,598,498	4,789,124	5,316,009	4,571,486
Amounts owed by group undertakings	-	-	10,300,098	5,812,779
Other debtors	475,381	570,786	451,282	546,607
Prepayments and accrued income	6,234,372	4,217,418	5,639,217	4,095,393
Corporation tax recoverable	6,182,375	4,736,337	6,182,375	4,736,337
	<u>18,490,626</u>	<u>14,313,665</u>	<u>27,888,981</u>	<u>19,762,602</u>

**13. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Trade creditors	635,094	1,335,132	625,705	1,290,796
Amounts owed to group undertakings	-	-	54	53
Other taxation and social security	1,176,099	624,602	1,176,099	624,602
Other creditors	191,062	187,804	185,979	174,135
Accruals and deferred income	8,107,170	7,445,008	7,551,091	7,305,821
	<u>10,109,425</u>	<u>9,592,546</u>	<u>9,538,928</u>	<u>9,395,407</u>

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**FEATURESPACE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**14. Financial instruments**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>29,381,034</b>	14,971,826	<b>29,110,025</b>	14,705,138
Financial assets that are debt instruments measured at amortised cost	<b>10,568,131</b>	8,577,382	<b>20,148,442</b>	14,076,631
	<b><u>39,949,165</u></b>	<u>23,549,208</u>	<b><u>49,258,467</u></b>	<u>28,781,769</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(2,002,058)</b>	(3,153,914)	<b>(1,774,264)</b>	(2,577,049)

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts due from group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts due to group undertakings and accruals.

**15. Share capital**

	<b>2020 £</b>	<i>2019 £</i>
<b>Allotted, called up and fully paid</b>		
8,548,555 (2019 - 8,431,089) Ordinary shares of £0.0001 each	<b>855</b>	843
1,428,540 (2019 - 1,428,540) A Preferred Ordinary shares of £0.0001 each	<b>143</b>	143
2,142,610 (2019 - 2,142,610) B Preferred Ordinary shares of £0.0001 each	<b>214</b>	214
3,473,989 (2019 - 3,473,989) C Preferred Ordinary shares of £0.0001 each	<b>347</b>	347
539,584 (2019 - 539,584) X Ordinary shares of £0.0001 each	<b>54</b>	54
4,818,903 (2019 - 4,818,903) D Preferred Ordinary shares of £0.0001 each	<b>482</b>	482
7,402,754 (2019 - 7,402,754) E Preferred Ordinary shares of £0.0001 each	<b>740</b>	740
6,393,862 (2019 - 6,393,862) F Preferred Ordinary shares of £0.0001 each	<b>639</b>	639
5,281,689 (2019 - NIL) G Preferred Ordinary shares of £0.0001 each	<b>529</b>	-
	<b><u>4,003</u></b>	<u>3,462</u>

During the year, employees exercised share options resulting in 117,465 ordinary shares being issued for proceeds of £21,324.

In addition, there was an issue of 5,281,689 preferred ordinary shares for proceeds of £29,999,994.

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**16. Reserves****Share premium account**

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

**Profit and loss account**

This account includes all current and prior period retained profits and losses.

**17. Share based payments**

The company issues approved and unapproved share options to directors and employees. One quarter of the total options granted become exercisable on or after the first anniversary of the vesting start date, then one-sixteenth of the total options granted become exercisable at the end of the first quarter after the vesting start date and a further one-sixteenth on each subsequent quarter day. All options lapse if not exercised within a ten year period of being granted.

In accordance with the company's Share Option Plan, these options can be exercised on a trigger event which is the reconstruction of the company, notice of a voluntary winding-up, or a takeover. There are no performance conditions attached to any options.

A share option pool of 1,562,499 options were in issue at the year end, with 181,500 being issued, 117,465 being exercised and 10,678 lapsing during 2020.

Options in issue at the year end had an exercise price of either £0.01, £0.10, £0.13, £0.15, £0.23, £0.31 or £1.00 per share.

**18. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,937,538 (2019 - £637,275). Contributions totaling £188,498 (2019 - £172,549) were payable to the fund at the balance sheet date and are included in creditors.

**19. Commitments under operating leases**

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Not later than 1 year	<b>1,169,105</b>	715,064	<b>1,063,783</b>	537,075
Later than 1 year and not later than 5 years	<b>2,913,637</b>	1,347,133	<b>2,913,637</b>	1,240,470
	<b><u>4,082,742</u></b>	<u>2,062,197</u>	<b><u>3,977,420</u></b>	<u>1,777,545</u>

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**FEATURESPACE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**20. Transactions with directors**

Included within other debtors is a loan to a director amounting to £147,596 (2019 - £150,744). The movements in the year are represented by interest charge of £4,627, interest repayments of £3,464 and foreign exchange movements of £4,311. Interest is charged on the loan at 3% per annum. The loan is repayable on particular conditions or on the tenth anniversary of the loan if earlier.