



RNS

Final Results

Final Results for the Year Ended 31 March 2022

4GLOBAL PLC

Released 07:00:09 07 July 2022

RNS Number : 6029R
4GLOBAL PLC
07 July 2022

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

7 July 2022

4GLOBAL PLC

("4GLOBAL" or the "Company")

Final Results

4GLOBAL, a UK-based data, services and software company focused on major sporting events and the promotion and measurement of physical activity, is pleased to announce its audited final results for the year ended 31 March 2022.

Headline results for the year to 31 March 2022

	Audited 2022 £'000	Audited 2021 £'000	Change %
Revenue	3,640	2,679	35.9
Gross profit	2,616	1,827	43.1
Adjusted profit from operations (Note 1)	573	559	2.6
Operating profit before government grant income	573	504	13.6
(Loss)/profit before tax	(1,889)	372	
Net cash	3,051	775	

Note 1: Adjusted profit is defined as statutory (loss)/profit from operations before depreciation, share based payment expense and exceptional items.
See note 8.

Financial highlights

- Substantial revenue growth reflects successful shift into recurring subscription income (43% compared to 28% last year). Subscription revenues were up by 105% in the year whilst consultancy revenues were also up by 8.9%.
- Loss before tax includes £2,072k of exceptional one-off items relating to the IPO as well as share based payments costs relating to share options granted at IPO of £170k which are unlikely to recur.

- Year ended with a strong balance sheet to support further rapid growth
- Successful AIM IPO raised £3.2m net of expenses and brought on board excellent supportive shareholders.

Operational highlights

- Significant progress made in all three growth pillars - international expansion, "land and expand" and acquisitions.
- Demand for the group's products in Europe and North America continues to grow along with the data integrations we have started in these market places which will allow us to develop revenue generating opportunities.
- Since IPO 4GLOBAL had landed a significant number of new clients and expanded on several key client relationships.
- 4GLOBAL has developed a strong acquisition deal pipeline and is in active discussions with several potential complementary targets although no agreements have yet been reached.
- Updated and released editions of both our social value calculator ("SVC") which helps clients evaluate the social value created from investment in sport and physical activity and CitiHub which brings together participation data from active people in a city to help officials plan investment and intervention to increase activity levels.
- Continued to build the team with new high quality appointments including the appointment of a Chief Customer Officer in March 2022. The team has been expanded as we scale up our offering and focus on our ambition to become the world's leading data and insight company in sports and health data.

Eloy Mazon, Chief Executive Officer of 4GLOBAL commented:

"This has been a transformative year for the Company following the successful AIM IPO and fundraising. The IPO has raised our profile and led to the rapid growth of our customer and data bases. With the many opportunities available to us and a great team in place, I look forward with confidence to further significant growth in the current year."

For further information please contact:

4GLOBAL c/o IFC Advisory

Eloy Mazon (CEO)

Spark Advisory Partners - Nominated Adviser 0203 368 3554

Neil Baldwin

Oberon Capital - Broker 0203 179 5300

Michael Seabrook, Adam Pollock, Chris Crawford

IFC Advisory 0203 934 6630

Graham Herring / Zach Cohen 07793 839 024

A copy of these results is available on the Company's website www.4global.com. In addition the Report & Accounts will be available on the Company's website shortly and will be sent to shareholders by 9th August 2022.

CHAIRMAN'S STATEMENT

As this is my first statement for the Group as Chairman after our successful IPO on AIM, I am pleased to announce our results for the year ended 31 March 2022. The Group has had a busy time since joining AIM on 7 December 2021, however, this has been built on a number of years of developing the business model and product platforms. The success of the business is down to the team, which is led by Eloy Mazon, who founded the business, but also all of the staff and management who continue to develop and push the business forward.

Results

The results for the year ended 31 March 2022 have been prepared as if 4GLOBAL PLC has been in existence since 1 April 2020 to allow comparative information to be available. Revenue for the year ended 31 March 2022 was £3.6m up 35.9% on the previous year. This increase was driven by project set up revenues within our subscription revenue stream. Subscription (recurring revenues) revenue increased by 36.0%.

Our alternative reporting (excluding, inter alia, the IPO costs) results for the year ended 31 March 2022 was an operating profit of £573,299 (2021: £559,018) an increase of 2.6%. This improvement is after investing in new hires and setting up the PLC Board.

Board and People

I would like to thank my fellow Board members for the guidance and contribution to the successful IPO and our results for the year. We have an ambitious growth strategy for the business and the insight from the Board will ensure we execute the strategy positively. Also, I have to thank our colleagues within the business for their hard work and professionalism and their vital support in delivering these results but setting the platform for the future.

Annual General Meeting

The Annual General Meeting will be held at 10:00am on Thursday 8 September 2022 at the Company's offices, 5th Floor, Building 7 Chiswick Park, 566 Chiswick High Road, Chiswick, London, W4 5YG.

Outlook

The Company has many opportunities in the coming 12 to 24 months in both sports consultancy services and also our subscriptions led revenue streams. We will continue to expand with our land and expand strategy and develop new products as well as look for acquisition possibilities. The Board is confident about the Group's current prospects.

Ian James

Chairman

6 July 2022

CHIEF EXECUTIVE'S STATEMENT

The successful IPO earlier this financial year marked a new and exciting chapter for 4GLOBAL.

This achievement was made possible thanks to the enormous efforts of everyone at 4GLOBAL over the years during which we have established an incredible reputation in our sector worldwide and developed best-in-class data and insight products and services that are recognised as having transformed our customers' businesses.

A key priority for us over the years has been to ensure that 4GLOBAL was built on a robust foundation with solid business principles around revenue and cash generation, profitability and sustainable growth. This is now reflected in our strong balance sheet and financial position.

From day one we set out to build a reputation in the market of "always delivering on our promises" and I am very pleased that in my first statement as CEO of an AIM quoted company, we have stayed true to this objective by delivering and exceeding on market expectations.

Our growth strategy is underpinned by three pillars; international expansion, "land & expand" clients and acquisition strategy. Significant progress has been made in this financial year against each of these pillars.

1) International expansion - our international expansion is in full execution mode. Going into our final quarter of the financial year (January to March 2022) we saw strong demand for our data & insight products in the European and North American market which were ahead of management's expectations. In addition to strong demand, data acquisition in those regions is ahead of plan thus strengthening our market position and allowing us a quicker penetration of these markets.

2) "Land and expand" clients - since the IPO we have landed a significant number of new clients and expanded on several client relationships which we already had in the UK, European, Middle East and North American markets. The current need for data and insight to navigate complex strategic, operational and investment challenges has generated strong demand for our data and insight products and services and this has been reflected in the revenue growth compared to last year.

3) Acquisition strategy - we have a strong deal pipeline and we are in active conversations with several potential targets although no agreements have yet been reached. We are confident that we have identified strong candidates that will be complementary to the overall value and growth of 4GLOBAL.

Overall, excellent progress has been made in executing our strategy and we are pleased with the results it is generating.

During the financial year we released updated editions of both our social value calculator (SVC) and CitiHub. Existing clients have migrated and new clients are being on-boarded onto the new platforms.

We have also been working on new revenue streams around data products that will expand our ability to grow faster and in a sustainable way.

Finally, we extended our operations to the North American Market, establishing 4GLOBAL Inc in the USA and a permanent presence with the opening of an office in Miami, Florida.

Summary and Outlook

We completed our first year as an AIM quoted company and in a strong financial position - profitable, cash generative and with a sound balance sheet - an excellent foundation on which to build in the current financial year.

Demand for our data and insight products continues to grow. The many significant challenges faced in our sector due to the uncertain global economic outlook, will, we believe, drive our customers to seek ever more business-critical insight and that is the very strong message we are getting from our customers.

We are encouraged by the prospects for the rest of the financial year and beyond as we seek to increase our penetration in the European and North American markets and develop new revenue streams associated with our data.

I would like to thank all our staff for their efforts in 2021/22 to realise the true potential of 4GLOBAL and growth capabilities.

Eloy Mazon

6 July 2022

FINANCIAL REVIEW

This is the first annual report and accounts for the Group which was successfully listed on AIM on 7 December 2021. The Group uses a number of key indicators to monitor the Group's performance. The Group was founded in 2002 as a consultancy business and has migrated to a sports participation data analytical business. The presentation of the financial numbers has been made as if the Group had been incorporated from 1 April 2020 to allow the Board of Directors to present the financial performance of the Group on a comparable basis. The results for the year ended 31 March 2022 are presented on this basis and on a Headline Results basis as follows:

Reconciliation of statutory to Headline profit before taxation

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Statutory (loss)/profit before taxation	(1,888,693)	356,526
Separately disclosed items		
Depreciation	196,756	142,147
Share based payment expense	169,550	33,063
Exceptional items	2,071,781	-
Finance cost (net)	23,905	27,282
Headline profit before taxation	573,299	559,018

Group revenue, for the year ended 31 March 2022, has increased by 35.9% to £3.6m from £2.7m. Gross profit has increased

from £1.8m to £2.6m, up 43.1%.

The Group analyses revenue into two streams of consultancy and subscription revenues. Consultancy revenues constitute services provided to clients for major sporting events and Subscription revenues is made of two elements; one is fees from setting up a client on a product platform, Project Set Up ("PSU") fees. The second is a licence fee for the use of the platform and any advice fees for analysis requested by the client.

The aim of the Group is to migrate the revenues to a majority recurring subscription revenue basis. The revenue split as follows:

Analysis of revenue by category	Year ended 31 March 2022		Year ended 31 March 2021	
	£	%	£	%
Consultancy	2,087,249	57%	1,919,719	72%
Subscriptions	1,552,681	43%	759,055	28%
	<u>3,639,930</u>		<u>2,678,774</u>	

This reflects the Group's move to generating more subscription revenues and the growth rate in subscription revenues was 105%, however, the Group still increased its consultancy revenues by 8.9%. Subscription revenue constituted 56.6% (2021: 85.1%) of the total of Subscription revenue, which reflected a greater amount of PSU during the year ended 31 March 2022.

To arrive at a Headline profit before tax the Directors feel it appropriate to make the financial numbers comparable at an earnings before interest, tax, depreciation and amortisation, share based payment expense and exceptional items.

At the time of the IPO a new share option scheme was implemented a total of 1,755,072 options were issued at 91p and 550,800 options were issued at 35.6p. A net charge of £169,550 (2021: £33,063) has been taken to the share based payment reserve on the balance sheet.

The exceptional items include:

	Year ended 31 March 2022	Year ended 31 March 2021 (Restated)
	£	£
IPO costs	874,650	-
Cash settlement of historic option contracts	1,114,080	-
Legal settlement of contract dispute	70,000	-
Pension contributions for prior years	13,051	12,272
	<u> </u>	<u> </u>
Total exceptional items	<u>2,071,781</u>	<u>12,272</u>

Exceptional Items includes the IPO costs incurred at the time of the Group's IPO on 7 December 2021 of £0.9m (2021: £nil).

The Group had issued share options to individuals during 2020. The options represented 38% of the then issued share capital of 4GLOBAL Consulting Ltd and were to reward these individuals for the work and development of that company that they had made over previous years. The potential overhang and dilutive effect of these options on the issued share capital, after taking advice, was seen as detrimental to the company's prospects of completing a successful IPO. The individuals agreed to waive their options for a cash settlement of £1.0m in addition a provision was made for employers' National Insurance contributions.

The directors have identified two amounts as exceptional because of their nature and relating to events in previous periods. One is a legal dispute with a client which has been settled post the year end and the other is provision for adjustments to pension contribution that have an impact on the previous year's results. This has affected the opening reserves for the 1 April 2020 and a charge being made in the accounts for the year ended 31 March 2021 and a charge in the year ended 31 March 2022. The total provision for the three years is £41,509. A provision of £13,052 has been made in this current reporting year and prior year adjustment of £12,272 made in the year ended 31 March 2021. The opening reserves for the year ended 31 March 2021 have been adjusted by the prior adjustment by £16,184.

The Headline Adjusted Profit from Operations is £573,299 (2021: £559,018) an increase of 2.6%.

The prior year benefitted from a grant under the CJRS and CBIL arrangements introduced by the British Government of £54,959. Excluding this amount the Headline Adjusted Profit from Operations would be an increase of 13.7%.

The Group has also increased its cost base as a result of being a PLC and appointing a board of directors and other associated costs.

Tax

The Group benefits from research and development expenditure for which the Group can claim enhanced rebates of 230% of the expenditure incurred. There is therefore a tax credit to the Income Statement for the year ended 31 March 2022.

Earnings per share

The statutory loss per share for the year ended 31 March 2022 is a loss of 7.1 pence (2021: profit of 370 pence). As the Group produced a statutory loss for the year there is no diluted earnings per share (2021: profit of 338 pence).

Cash Flow

The Group utilised £1,053,912 (2021: generated £584,685) from operations in the year. This was after the settlement of exceptional items which included IPO costs of £874,650 and the cash settlement of share options £1.1m.

The Company successfully listed on AIM on 7 December 2021 and raised £3.4m, before expenses, from the issue of shares in the Company.

As at 31 March 2022 the Group held cash and cash equivalents of £3.1m.

Statement of financial position

The Group's statement of financial position is in a very healthy position. Net assets totalled £3.5m. Most of the statement of financial position is made up of liquid assets of trade receivables and cash and cash equivalents. Working capital was £3.1m.

Keith Sadler

Chief Financial Officer

6 July 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Note	Year ended 31 March 2022 £	Year ended 31 March 2021 £ (Restated)
Revenue	6	3,639,930	2,678,774
Cost of sales		(1,024,175)	(851,346)
Gross profit		2,615,755	1,827,428
Administrative expenses		(2,043,103)	(1,323,369)
Other operating income	7	647	54,959

Analysed as:

Adjusted profit from operations¹

573,299

559,018

Expenses from non-operations			
Depreciation		(196,756)	(142,147)
Share based payment expense		(169,550)	(33,063)
Exceptional items	8	(2,071,782)	-
Prior year adjustment	8	-	(12,272)

(Loss)/profit from operations	8	(1,864,789)	371,536
Finance income		73	41
Finance cost	11	(23,977)	(27,323)
		<hr/>	<hr/>
(Loss)/profit before tax	3	(1,888,693)	344,254
Tax credit	12	242,581	39,525
		<hr/>	<hr/>
(Loss)/profit for the year		(1,646,112)	383,779
Other comprehensive income			
Exchange differences on translation of foreign operations		(11,058)	(16,277)
		<hr/>	<hr/>
Other comprehensive income for the year		(11,058)	(16,277)
		<hr/>	<hr/>
Total comprehensive (loss)/income for the year		(1,657,170)	367,502
		<hr/>	<hr/>
Total comprehensive (loss)/income attributable to:			
Owners of the Parent Company		(1,657,170)	367,502
		<hr/>	<hr/>
Basic (loss)/profit £ per share	13	(7.1)p	370p
		<hr/>	<hr/>
Diluted (loss)/profit £ per share	13	(7.1)p	338p
		<hr/>	<hr/>

Note 1. Adjusted profit from operations is calculated as earnings before interest, taxation, depreciation, amortisation of intangible assets and right of use charge, any impairment costs relating to non-current assets, share based payments and exceptional items.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2022	As at 31 March 2021 (Restated)
		£	£
Assets			
Non-current assets			
Property, plant and equipment	14	28,870	10,689
Right-of-use assets	14	382,490	274,381
		<hr/>	<hr/>

		411,360	285,070
		<hr/>	<hr/>
Current assets			
Trade and other receivables	15	1,764,482	1,896,559
Cash and cash equivalents	16	3,050,948	775,342
		<hr/>	<hr/>
		4,815,430	2,671,901
		<hr/>	<hr/>
Total assets		5,226,790	2,956,971
		<hr/>	<hr/>
Equity and Liabilities			
Equity			
Share capital	17	263,451	1,097
Capital redemption reserve		-	105
Share premium	19	3,390,330	894,491
Merger reserve		676,310	-
Share option reserve	18,19	139,080	31,773
Share warrant reserve		188,266	-
Currency translation reserve		(32,323)	(21,265)
Retained earnings	19	(1,121,325)	485,206
		<hr/>	<hr/>
Total equity		3,503,789	1,391,407
		<hr/>	<hr/>
Non-current liabilities			
Borrowings	21	158,823	273,458
Lease liability	22	-	147,273
		<hr/>	<hr/>
		158,823	420,731
		<hr/>	<hr/>
Current liabilities			
Borrowings	21	121,814	45,833
Trade and other payables	20	1,088,553	964,597
Lease liability	22	353,811	134,403
		<hr/>	<hr/>
Total current liabilities		1,564,178	1,144,833
		<hr/>	<hr/>
Total liabilities		1,723,001	1,565,564
		<hr/>	<hr/>
Total equity and liabilities		5,226,790	2,956,971
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

Note	Year ended	Year ended
------	------------	------------

		31 March 2022	31 March 2021 (restated)
		£	£
Cash flows from operating activities			
(Loss)/profit before income tax for year		(1,888,693)	344,254
<i>Adjustments to reconcile (loss)/profit before tax to net cash flows:</i>			
Depreciation of tangible assets	14	196,723	142,127
Loss on disposal of fixed assets		(9,894)	-
Other income		-	(7,117)
Finance income		-	(41)
Finance cost	11	23,977	23,417
Equity-settled share-based expense/warrants	8	169,550	33,063
Decrease/(increase) in trade and other receivables		390,838	460,523
(Decrease)/increase in trade and other payables		63,587	(545,201)
Tax received		-	133,660
		<hr/>	<hr/>
Net cash flows - operating activities		(1,053,912)	584,685
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible assets	14	(23,773)	(4,936)
Interest received		73	41
		<hr/>	<hr/>
Net cash - investing activities		(23,700)	(4,895)
		<hr/>	<hr/>
Cash flows from financing activities			
Issue of ordinary share capital		3,612,662	-
Proceeds from borrowings		-	250,000
Repayment of borrowings		(41,168)	-
Payments for shares bought back		-	(50,000)
Lease liability principal payment	22	(186,470)	(129,895)
Interest elements of lease payments		(10,780)	(13,705)
Interest paid		(9,445)	(83)
		<hr/>	<hr/>
Net cash flows - financing activities		3,364,799	56,317
		<hr/>	<hr/>
Net increase in cash		2,287,187	636,107
Effects of exchange rate changes on cash		(11,581)	(15,930)
Cash at beginning of year		775,342	155,165
		<hr/>	<hr/>
Cash at the end of year	16	3,050,948	775,342
		<hr/>	<hr/>
Comprising:			
Cash and cash equivalents		3,050,948	775,342
		<hr/>	<hr/>
Cash at end of year	16	3,050,948	775,342
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

4Global PLC is a public limited company incorporated and domiciled in England and Wales. The registered office address and principal place of business is located at 5th Floor, Building 7 Chiswick Park, 566 Chiswick High Road, London, W4 5YG. The Company was incorporated on 22 July 2021.

The 4GLOBAL Group's principal activity is the provision of advisory services in the sporting sector at a local, national and international level.

2. Basis of preparation

The financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies, UK Adopted International Accounting Standards. This is the first time the 4GLOBAL Group has prepared financial information under UK Adopted International Accounting Standards.

The financial statements have been prepared on the historical cost basis, unless accounting standards require an alternative measurement basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in either the relevant accounting policy or in the notes to the financial information.

The preparation of the financial statements in compliance with UK Adopted International Accounting Standards requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement of the most appropriate application in applying the 4GLOBAL Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial information and their effect are disclosed in Note 4.

3. Going concern

The financial statements have been prepared on the going concern basis. The Group made a loss for the year to 31 March 2022, which was due to exceptional costs incurred in the IPO process. At the adjusted profit line the business is profitable. The Group has cash resources of £3.1m. The Directors have reviewed the 4GLOBAL Group's overall position and outlook and are of the opinion that the 4GLOBAL Group is sufficiently well funded to be able to operate as a going concern for at least the next twelve months from the date of approval of these financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with UK Adopted International Accounting Standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year-end date and the reported amounts of revenues and expenses during the reporting year.

Estimates and judgements 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 significant judgements made by management in applying the 4GLOBAL Group's accounting policies and the key sources of estimation uncertainty were:

4.1 Consultancy revenue

For contracts spanning the year end the 4GLOBAL Group uses judgement determining the amount of revenue to recognise in each period. This requires estimation of the stage of completion of the project, taking into account time spent during the period and the likely time required to complete the project.

4.2 Bad debts

The group currently calculates a "bad debt" provision on trade receivables and contract assets which are past

due date and are not specifically provided for. Under IFRS 9 this assessment is required to be calculated based on a forward looking expected credit loss ('ECL') model, for which a simplified approach will be applied. The method uses historic customer data, alongside future economic conditions to calculate expected loss on receivables. See Note 15.

4.3 Legal claims

The provision for legal claims is an estimate of the potential amount that may be due when the Group is in dispute with another party. An estimation is made after taking advice from legal advisers.

4.4 Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the combined statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

4.5 Share options and warrants

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period as an employment expense.

The fair value of the options is measured at the grant date and spread over the vesting period. The fair value is measured based on an option pricing model taking into account the terms and conditions upon which the instruments were granted.

The Company has issued warrants to certain advisers at the time of the group's IPO. The fair value of the services provided is charged to the statement of comprehensive income.

5. Summary of significant accounting policies

5.1 Basis of consolidation

The financial statements incorporate the financial information of the 4GLOBAL Group. Control is achieved when a company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the 4GLOBAL Group. All significant inter-company transactions and balances between 4GLOBAL Group entities are eliminated on consolidation.

Subsidiary companies

4GLOBAL PLC's subsidiaries are as follows:

Name of company	Country of incorporation	Nature of business	Interest	Proportion of voting rights and shares held
4GLOBAL Consulting Ltd ("4GLOBAL Consulting")	England and Wales	Provision of data and consultancy services to the sports participation market	100%	100%
4GLOBAL Inc	USA	Provision of data and consultancy services to the sports	100%	100%

			participation		
			market		
4Global Danismanlik Ve Yazilim Hiz. LTD.STI ("4Global Turkey")	Turkey	Provision of services on behalf of parent		100%	100%

The registered office address and principal place of business of 4GLOBAL Consulting is 5th Floor, Building 7, Chiswick Business Park, 566 Chiswick High Road, London, W4 5YG.

4GLOBAL Inc is currently dormant. It is anticipated to begin trading in the early part of the financial year ending 31 March 2023.

The registered office address and principal place of business of 4Global Turkey is Istasyon Yolu Sok. No: 3 Altintepe, Maltepe, Istanbul.

The Company's subsidiary in Turkey has a year end of 31 December which was set when the company was set up and is a normal year end for Turkish companies. The preparation of the financial information for the Group accounts has therefore been based on the management accounts for that company to 31 March. The Group is liaising with local advisers to attempt to amend the year end to 31 March.

In applying merger accounting when preparing these Consolidated Financial Statements, to the extent the carrying value of the assets and liabilities acquired under merger accounting is different to the cost of investment, the difference is recorded in equity within the merger reserve. Under merger accounting the results of the Group entities are combined from the beginning of the comparative period before the merger occurred. Comparatives are restated on a combined basis and adjustments made as necessary to achieve consistency of accounting principles.

5.2 Revenue

Consultancy services

Consultancy services are provided under fixed-price contracts and contracts specifying an hourly fee. Revenue from providing services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual hours spent relative to the total expected hours.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services provided then a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the 4GLOBAL Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Subscriptions

Subscriptions for access to the Datahub are provided under fixed-price contracts. Customers pay in advance on a monthly, quarterly or annual basis and consideration is payable when invoiced. Where access to the Datahub has been invoiced but not paid at the end of the reporting period, a contract liability is recognised in respect of the services not yet provided. Revenue is recognised on a straight-line basis over the term of the subscription.

5.3 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the 4GLOBAL Group will comply with all attached conditions. Grants are recognised in other operating income in the statement of comprehensive income.

5.4 Research expenditure

The Group undertakes research into future development of products and platforms utilising the data sources that the Group curates. This is separately identified and recorded. The Group makes a claim for enhanced tax relief on this expenditure through HMRC. The expenditure is separately identified in the income statement notes.

5.5 Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the 4GLOBAL Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in pounds sterling, which is 4Global Group's functional and presentation currency.

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 year 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the statement of comprehensive income under the heading to which they relate.

4GLOBAL Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at monthly exchange rates throughout the period, and
- all resulting exchange differences are recognised in other comprehensive income.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the statement of comprehensive income.

Current tax

Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset or liability is not recognised if a temporary difference arises on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

5.6 Share-based payments

The 4GLOBAL Group measures the fair value of equity-settled transactions with employees and Directors at the grant date of the equity instruments. The fair value is calculated using an appropriate valuation model and requires assumptions regarding dividend yields, risk-free interest rates, share price volatility and expected life of an employee or Director share option. The arising expense is charged to the statement of comprehensive income on a straight-line basis over the expected vesting period.

5.7 Warrants

The 4GLOBAL Group issued warrant certificate to advisers at the time of the IPO and measures the fair value of the equity settled transactions with the advisers at the grant date of the warrant instruments. The fair value is calculated using an appropriate valuation model and requires assumptions regarding dividend yields, risk-free interest rates, share price volatility and expected life of the warrant. The resulting amount is charged to the share premium account and credited to the share warrant reserve.

5.8 Property plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures for routine maintenance and repairs are expensed as incurred, while additions and improvements are capitalised. A right-of-use asset is recognised at the commencement date of the lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs expected to be incurred for restoring the site or asset.

Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives or, in the case of certain leased right-of-use assets, the shorter of the expected lease term and estimated useful life:

- Office equipment - 4 years
- Land and buildings - over the term of the lease

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected to arise from the use of that asset. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income when the asset is derecognised.

5.9 Leasing

The 4GLOBAL Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At commencement of a lease, the 4GLOBAL Group as lessee recognises a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The amount of the lease liability recognised is on a discounted basis. The discount rates used on transition were incremental borrowing rates as appropriate for each lease based on factors such as the lease term and payment terms. Where the rate implicit in the lease cannot readily be determined the 4GLOBAL Group used the 4GLOBAL Group's incremental borrowing rate. The 4GLOBAL Group does not have any leases where the 4GLOBAL Group is a lessor.

The 4GLOBAL Group takes advantage of the practical expedient which allows an exemption from recognition for leases with terms of 12 months or less and low value leases.

5.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments in debt securities with original maturities of three months or less.

5.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified into one of the categories discussed below in accordance with IFRS 9, with reference to the business model for that instrument and the contractual cash flow characteristics.

Financial assets and liabilities are offset and the net amount reported in the financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The accounting policy for each category is as follows:

Financial assets

Financial assets comprise cash and cash equivalents and receivables.

Receivables primarily consist of trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at transaction price plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, adjusted for change in expected credit losses.

Impairment of financial assets

The IFRS 9 impairment model requires the recognition of 'expected credit losses'. Therefore, it is not necessary for a credit event to have occurred before credit losses are recognised. The impairment model applies to the 4GLOBAL Group's financial assets.

For trade receivables the 4GLOBAL Group has applied the simplified approach permitted by IFRS 9 in calculating expected credit losses. This approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Financial liabilities include trade and other payables, borrowings and lease liabilities.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Lease liabilities

Lease liabilities are recognised at the present value of future lease payments and subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange is treated as the de-recognition of the original liability and the recognition of a new liability. When the modification is not substantial the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss.

Classification of financial instruments issued by the 4GLOBAL Group

Financial instruments issued by the 4GLOBAL Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the 4GLOBAL Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the 4GLOBAL Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the 4GLOBAL Group's own equity instruments or is a derivative that will be settled by the 4GLOBAL Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

5.12 Related party transactions

The 4GLOBAL Group discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned. Transactions of a similar nature are aggregated unless, in the opinion of the Directors separate disclosure is necessary to understand the effect of the transactions on the financial statements.

Mr Mazon, through a controlled company, EMH Limited, invoiced the Group during the year ended 31 March 2022 £87,062 for professional and consultancy services (31 March 2021 £137,940). £4,840 was outstanding at 31 March 2022 (31 March 2021, £4,840). Mrs E Mazon, trading as Family Paws, invoiced the Group for secretarial and coaching services during the year £15,000 (31 March 2021 £Nil). £Nil was outstanding at 31 March 2022 (31 March 2021 £Nil).

A loan of £50,400 was made by Mr Eloy Mazon. The loan was drawn down between December 2013 and September 2014 and bears interest at 5% plus the Bank of England base rate, which has been accrued with the loan. The balance outstanding at 31 March 2022 was £70,805 (2021: £69,293). After the year end the loan was repaid to Mr Mazon.

Mr James, through a controlled company, Fluency Media Limited, invoiced the Group during the year ended 31 March 2022 £168,000 including VAT (31 March 2021 £46,800). £Nil was outstanding at 31 March 2022 (31 March 2021 £Nil). Mr James received £620,000 for the settlement of the surrender of share options he held over the share capital of 4GLOBAL Consulting Ltd, this was settled at the time of the company's IPO.

During the year ended 31 March 2021, the 4GLOBAL Group incurred charges of £100,000 from a company controlled by a director of the 4GLOBAL Group, in relation to share issuance costs. The amount was settled during the year ended 31 March 2022. The amount outstanding at the year ended 31 March 2021 was shown in other payables.

5.13 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the 4GLOBAL Group

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the financial statements.

- IAS 1 Presentation of liabilities as current or non-current
- IAS 1 Disclosure of accounting policies
- IAS 8 definition of accounting estimates
- Interest rate benchmark reform - IFRSs 7,9 and 16

The above standards are not expected to materially impact the Group.

5.14 Segment information

The chief operation decision-maker ("CODM") is considered to be the Board of Directors of the Group. The CODM allocates resources and assesses the performance of the business and other activities at the operating segment level.

The CODM has determined that the 4GLOBAL Group has one operating segment, the provision of advisory services to the sporting industry at a local, national and international level.

6. Analysis of revenue

Analysis of revenue by category	Year ended	Year ended
	31 March	31 March
	2022	2021
	£	£
Consultancy	2,087,249	1,919,719
Subscriptions	1,552,681	759,055
	<u>3,639,930</u>	<u>2,678,774</u>

Analysis of revenue by geography	Year ended	Year ended
	31 March	31 March
	2022	2021
	£	£
Europe	2,351,970	1,569,280
South America	890,608	358,413
Middle East	362,383	727,508
Other	34,969	23,573
	<u>3,639,930</u>	<u>2,678,774</u>

During the year ended 2022, the 4GLOBAL Group had two customers whose revenues accounted for more than 10%, making up 14.7% and 14.2% respectively.

During the year ended 2021, the 4GLOBAL Group had two customers whose revenues accounted for more than 10%, making up 27% and 13% respectively.

The 4GLOBAL Group has determined that the 4GLOBAL Group has one operating segment and therefore all revenue above is attributable to that segment.

Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

Included within trade and other receivables are contract assets as follows:

As at 31 March	2022	2021
	£	£
Contract assets	<u>463,931</u>	<u>79,460</u>

Contract assets are included within "Trade and other receivables" on the face of the statement of financial position. They arise when the Group has performed services in accordance with the agreement with the relevant client and has obtained right to consideration for these services but such income has not been invoiced at the balance sheet date. Significant changes in contract assets have arisen due to timing differences in the issue of invoices between periods.

Included within trade and other payables are contract liabilities as follows:

As at 31 March	2022	2021
----------------	------	------

AS at 31 March

2022 2021

£ £

Contract liabilities	(216,696)	(208,215)
-----------------------------	------------------	------------------

All contract liabilities are recognised as revenue in the subsequent reporting period.

7. Other operating income

Other operating income comprises:

	2022	2021
	£	£
Government grants - CJRS	-	47,842
Government grants - CBILS BIP	-	7,117
Business Interruption receipt	647	-
	<hr/>	<hr/>
	647	54,959

During the year to March 2021, the 4GLOBAL Group was able to utilise the Coronavirus Job Retention Scheme ("CJRS"), the government's support measure for organisations throughout the pandemic. It offered grants of up to 80% of wages, up to a maximum of £2,500 per month plus national insurance and auto enrolled pension contributions, to cover the salary costs of those employees that had been furloughed.

Additionally, the 4GLOBAL Group took a loan under the Coronavirus Business Interruption Loan Scheme ("CBILS") (see note 21). Under the scheme, the government made a Business Interruption Payment ("BIP") to cover the interest charge for the first 12 months of the loan term.

8. Profit from operations and auditor's remuneration

Profit from operations is stated after charging/(crediting):

31 March	2022	2021
	£	£
Fees payable to the company's auditors:		
- Audit fees	47,500	-
- Other services - reporting accountant services at the IPO	125,500	-
Depreciation of property, plant and equipment	5,833	4,937
Depreciation of right-of-use assets	190,890	137,190
Research expenditure	640,342	592,440
Equity settled share-based expense	169,550	33,063
Net loss on foreign currency translation	11,581	27,239
Short-term lease expense	-	25,291
	<hr/>	<hr/>
	1,191,196	820,160

The Alternative Performance Measures used by management are shown below:

31 March	2022	2021
	£	£
(Loss)/profit from operations	(1,864,789)	383,808
Depreciation and amortisation expense	196,756	142,147
Share based option charge	169,550	33,063
Exceptional items	2,071,782	-
Prior year adjustment	-	12,272
	<hr/>	<hr/>

Adjusted EBITDA**573,299****559,018**

Exceptional items which have been identified because of their size or the nature of the expense being one-off in nature are as follows:

31 March	2022	2021
	£	£
IPO costs	874,650	-
Cash settlement of historic option contracts	1,114,080	-
Legal settlement of contract dispute	70,000	-
Provision for adjustment to pension contributions	13,052	12,272
	<hr/>	<hr/>
Total exceptional items	2,071,782	12,272

The prior year adjustment relates to a provision for adjustments to pension contribution that have an impact on the previous year's results. This has affected the opening reserves for the year 1 April 2020 and a charge being made in the accounts for the year ended 31 March 2021 and a charge in the year ended 31 March 2022. The total provision for the three years is £41,509. A provision of £13,052 has been made in this current reporting year and prior year adjustment of £12,272 made in the year ended 31 March 2021. The opening reserves for the year ended 31 March 2021 have been adjusted by the prior adjustment by £16,184.

9. Employees

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

31 March	2022	2021
	£	£
Wages and salaries	1,401,895	888,936
Social security costs	275,425	102,769
Pension costs	35,501	22,845
Share based payment expense	169,550	33,063
Cash settlement of share options	1,000,000	-
Employee benefits	23,604	4,038
	<hr/>	<hr/>
	2,905,975	1,051,651

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

31 March	2022	2021
	Number	Number
Directors	3	2
Administrative staff	2	2
Technical staff	23	21
	<hr/>	<hr/>
	28	25

10. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services were:

Salary	Pension	Benefits	Bonus	Total	Total
				Remuneration	Remuneration
				2022	2021
				£	£

E Mazon	131,665	3,016	20,698	-	155,379	-
K Sadler	96,667	2,900	-	12,500	112,067	-
I James	28,748	1,175	-	12,500	42,423	-
S Clarke	27,500	604	-	-	28,104	-
A Orlando	19,122	-	-	-	19,122	-
R Taylor	20,000	400	-	-	20,400	-

During the year, the 4GLOBAL Group made payments for consultancy services to companies controlled by certain of the Directors of the 4GLOBAL Group. The amounts invoiced and the amounts outstanding at the end of each year are: as follows:

31 March	2022	2021
	£	£
Invoices in year	260,800	175,433
Outstanding at year end	4,840	4,840

The remuneration of the highest paid Director was as follows:

31 March	2022	2021
	£	£
Wages and salaries	28,748	118,831
Bonus	12,500	-
Social security costs	87,784	14,220
Cash settlement of share options	620,000	-
Pension costs	1,175	2,800
Employee benefits	-	2,817
Share-based payments charges	43,155	12,016
	793,362	150,684

Key management compensation is shown in the table below which includes the directors. The Board was established during the financial year ended 31 March 2022.

Key management compensation is equal to Directors' remuneration.

31 March	2022	2021
	£	£
Wages and salaries	544,102	201,270
Social security costs	206,440	25,351
Cash settlement of share options	1,000,000	-
Pension costs	15,055	5,624
Benefits	20,698	-
Bonus	25,000	-
Fees	85,241	78,138
	1,896,536	310,383

11. Finance income and costs

31 March	2022	2021
	£	£

Lease liability interest	10,780	13,705
Interest on Shareholder loan	2,512	2,595
Interest on CBILS loan	7,153	7,117
Interest on Grant	647	-
Bank Interest	2,885	3,906

Finance cost recognised in the income statement recognised	23,977	23,417
--	---------------	--------

12. Taxation

31 March	2022	2021
	£	£
Current tax credit		
UK Corporation tax	(193,004)	(42,790)
Adjustments in respect of prior periods	(43,459)	-
Foreign tax on income for the year	5,445	4,007
Total current tax	(231,018)	(38,783)
Deferred tax credit		
Movement on temporary differences	(11,563)	(742)
Income tax credit	(242,581)	(39,525)

Factors affecting tax credit for the year

The tax credit for the year can be reconciled to the loss per the statement of comprehensive income as follows:

31 March	2022	2021
	£	£
(Loss)/profit before tax	(1,888,693)	383,808
(Loss)/profit before tax multiplied by the UK corporate tax rate of 19%	(358,852)	67,740
Effects of:		
Amounts not taxable/deductible for tax purposes	72,112	14,665
Depreciation - plant and machinery super-deduction	(1,357)	601
Enhanced research and development relief	(98,804)	(122,713)
Higher rate taxes on overseas earnings	1,247	182
Losses carried forward	178,956	-
Deferred tax on share options	3,568	-
Deferred tax on right of use asset	7,170	-
Deferred tax at higher rate	(3,162)	-
Adjustments in respect of prior periods	(43,459)	-
Income tax credit	(242,581)	(39,525)

Factors affecting future tax charges

An increase in the UK corporation tax rate from 19% to 25% for the financial year beginning 1 April 2023 was substantively enacted on 24 May 2021. As IFRS requires deferred tax to be measured at tax rates that have been subsequently enacted at the reporting date, the Group's deferred tax balances have been re-measured accordingly and the impact has been reflected within the consolidated financial statements.

The following deferred tax assets have been recognised:

31 March	2022	2021
	£	£
At beginning of period	30,564	29,822
Movement on temporary timing differences	12,822	742
	<hr/>	<hr/>
At end of period	43,386	30,564

The above deferred tax assets comprise temporary differences on the following items:

31 March	2022	2021
	£	£
Staff costs	30,564	30,564
Share based payments	15,199	-
Right of use asset	(7,170)	-
Pensions deductible as paid	7,887	-
Interest on shareholder loan	4,067	-
Accelerated capital allowances	(7,161)	-
	<hr/>	<hr/>
Deferred tax asset	43,386	30,564

The deferred tax asset on share options is expected to unwind within one year.

13. Earnings per share

31 March	2022	2021
		(Restated)
Net (loss)/profit attributable to ordinary shareholders (£)	(1,646,112)	383,779
Basic weighted average number of shares in issue (Number)	23,314,706	103,805
Basic (loss)/profit per share (pence per share)	(7.1)p	370p
	<hr/>	<hr/>
As at 31 March	2022	2021
Net (loss)/profit attributable to ordinary shareholders (£)	(1,646,112)	383,779
	<hr/>	<hr/>
Diluted weighted average number of shares in issue (Number)	24,165,128	113,678
	<hr/>	<hr/>
Diluted (loss)/profit per share (pence per share)	(7.1)p	338p
	<hr/>	<hr/>

To prepare the company for its listing a 200:1 share split took place during the year which increased the number of shares in issue. This increase in the share capital increased the number of shares in issue at that time from 109,692 shares at the beginning of the year to 21,938,400 at the time of the share split. This materially affected the

calculation for earnings per share.

Weighted average number of shares used as the denominator

As at the year ended 31 March	2022	2021
Shares in issue at 1 April	<u>109,692</u>	<u>103,805</u>
		-
Share for share exchange 200:1	21,938,400	
Weighted number of shares issued in the year	<u>1,376,306</u>	<u>-</u>
The weighted average number of shares used as the denominator in basic earnings per share	23,314,706	103,805
Adjustments for calculation of diluted earnings per share:		
Options	720,190	9,873
Warrants	<u>130,232</u>	<u>-</u>
	<u>24,165,128</u>	<u>113,678</u>

IAS 33 contains a requirement to restate the average number of shares in issue in prior periods for events that change the number of shares without a corresponding change in resources. For this purpose, it has been assumed that the share split from £1.00 per share to £0.01 per share took place prior to 1 April 2020.

14. Property, plant and equipment

	Land and buildings	Office equipment	Total
	£	£	£
Cost			
At 1 April 2019	-	44,691	44,691
Additions in year	-	1,544	1,544
Disposals in year	-	(1,025)	(1,025)
Exchange differences	-	(76)	(76)
As at 31 March 2020	-	<u>45,134</u>	<u>45,134</u>
Additions in year	411,571	4,936	416,507
Exchange differences	-	(595)	(595)
As at 31 March 2021	<u>411,571</u>	<u>49,475</u>	<u>461,046</u>
Disposal of lease	(411,571)	-	(411,571)
Additions in year	470,487	23,773	494,260
Exchange differences	-	(710)	(710)
As at 31 March 2022	<u>470,487</u>	<u>72,538</u>	<u>543,025</u>
Depreciation			
At 1 April 2019	-	25,499	25,499
Charge for year	-	8,673	8,673
Exchange differences	-	(75)	(75)
As at 31 March 2020	-	<u>34,097</u>	<u>34,097</u>
Charge for year	137,190	4,937	142,127
Exchange differences	-	(248)	(248)

As at 31 March 2021	<u>137,190</u>	<u>38,786</u>	<u>175,976</u>
Charge for year	190,890	5,833	196,723
Disposal of lease	(240,083)		(240,083)
Exchange differences	-	(951)	(951)
As at 31 March 2022	<u>87,997</u>	<u>43,668</u>	<u>131,665</u>
Net book value			
As at 31 March 2020	<u>-</u>	<u>11,037</u>	<u>11,037</u>
Net book value			
As at 31 March 2021	<u>274,381</u>	<u>10,689</u>	<u>285,070</u>
Net book value			
As at 31 March 2022	<u>382,490</u>	<u>28,870</u>	<u>411,360</u>

Right of use assets included in the above comprise all land and buildings assets. From 31 December 2021 the Group signed a new lease and surrendered its existing lease in the same building with the same landlord. There were no costs to the surrender.

15. Trade and other receivables

As at the year ended 31 March	2022	2021
	£	£
Current		
Trade receivables	753,245	450,080
Contract assets	459,086	79,460
Other receivables	259,475	118,298
Issue of share capital	-	1,161,978
Current tax receivables	249,290	56,179
Deferred tax receivables	43,386	30,564
	<u>1,764,482</u>	<u>1,896,559</u>

Trade receivables do not contain a significant financing component. These financial assets have been reviewed at each year end the following provision for expected credit losses is considered necessary:

As at the year ended 31 March	2022	2021
	£	£
Gross carrying amount - trade receivables	766,186	452,792
Loss allowance	(12,941)	(2,712)
	<u>753,245</u>	<u>450,080</u>

The loss allowances for trade receivables as at 31 March reconcile to the opening loss allowances as follows:

	2022	2021
	£	£
Opening loss allowance at 1 April	2,712	57,079
Increase in loss allowance recognised in profit or loss	10,229	4,051
Increase in loss allowance relating to VAT	-	452
Receivables written off during the year as uncollectible	-	(58,870)
Closing loss allowance at 31 March	<u>12,941</u>	<u>2,712</u>

Other receivables include amounts due for sales taxes, prepayments and security deposits held for leases.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The 4GLOBAL Group does not hold any collateral as security.

16. Cash and cash equivalents

As at the year ended 31 March	2022	2021
	£	£
Cash at bank and on hand	<u>3,050,948</u>	<u>775,342</u>

Cash at bank and on hand does not earn interest.

17. Issued share capital

The allotted, called up and fully paid share capital was as follows:

As at the year ended 31 March	2022	2021
	No.	No.
£1.00 A Ordinary shares		
As at 1 April	-	420
Redesignated as Ordinary shares	-	(420)
	<u> </u>	<u> </u>
As at 31 March	<u>-</u>	<u>-</u>

Fully paid A Ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

As at the year ended 31 March	2022	2021
	No.	No.
£1.00 B Ordinary shares		
As at 1 April	-	400
Redesignated as Ordinary shares	-	(400)
	<u> </u>	<u> </u>
As at 31 March	<u>-</u>	<u>-</u>

Fully paid B Ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

As at the year ended 31 March	2022	2021
	No.	No.
£1.00 C Ordinary shares		
As at 1 April	-	105
Repurchased	-	(105)
	<u> </u>	<u> </u>
As at 31 March	<u>-</u>	<u>-</u>

Fully paid C Ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

On 26 November 2020 all the C ordinary shares were cancelled.

As at the year ended 31 March	2022	2021
	No.	No.

£1.00 D Ordinary shares

As at 1 April	-	75
Redesignated as Ordinary shares	-	(75)
	<hr/>	<hr/>
As at 31 March	<hr/>	<hr/>

Fully paid D Ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

As at the year ended 31 March	2022	2021
	No.	No.
£1.00 E Ordinary shares		
As at 1 April	-	50
Redesignated as Ordinary shares	-	(50)
	<hr/>	<hr/>
At 31 March	<hr/>	<hr/>

Fully paid E Ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

	2022	2022	2021
	No.	£	No.
£0.01 Ordinary shares			
As at 1 April	109,692	1,097	-
Redesignated from other share classes	-		945
Subdivision of shares	-		93,555
Issue of shares	-		15,192
Share transfer on PLC incorporation	21,828,708	218,288	-
Issued on IPO	4,406,594	44,066	-
	<hr/>	<hr/>	<hr/>
As at 31 March	26,344,994	263,451	109,692

Fully paid ordinary shares carry one vote per share and the right to dividends and to distributions on winding up.

The issued share capital as at 1 April 2021 was the share capital for 4GLOBAL Consulting Limited which was exchanged for shares in the 4GLOBAL PLC on 11 November 2021.

The Company undertook an IPO on 7 December and issued 4,406,594 shares to shareholders.

On 15 February 2021, all the A Ordinary Shares, B Ordinary Shares, D Ordinary Shares and E Ordinary Shares were reclassified as Ordinary Shares of £1 each. On 8 March 2021, the 945 Ordinary Shares of £1 Nominal Value were subdivided into 94,500 Ordinary Shares of £0.01 Nominal Value.

On 22 March 2021, 1,686 £0.01 Ordinary Shares were issued for £4.76 per share following the exercise of share options. Additionally, a further 13,506 £0.01 Ordinary Shares were issued for £85.44 per share.

18. Equity share-based payments

The 4GLOBAL Group bears the expense of equity settled share options granted to employees and consultants of the 4GLOBAL Group. Share options were awarded over the shares in 4GLOBAL Consulting Limited to Ian James and Utku Toprakseven. Ian James was appointed a director of 4GLOBAL Consulting Limited on 11 February 2021 and Utku Toprakseven on 1 April 2015.

The movements of share options during the year were as follows:

Number of **Weighted**

	Share options	average share price
As at 1 April 2020	-	
4GLOBAL Consulting Limited		
Granted during the year	45,954	
Exercised during the year	(1,686)	
	<hr/>	
Outstanding as at 31 March 2021	44,268	£8.98
	<hr/>	
Cash settled during the year	(44,268)	
	<hr/>	
Outstanding as at 31 March 2022	-	£-
	<hr/>	<hr/>

Options outstanding at 31 March 2021 had an exercise price of £4.76-£72.62. The options vest upon certain conditions including a change in ownership of 4GLOBAL PLC.

The number of options exercisable as at 31 March 2022 is nil.

On 22 March 2021 1,686 options were exercised at an exercise price of £4.76. The Directors waived the vesting requirement of a change in ownership of 4GLOBAL Consulting Limited to allow the exercise. The weighted average share price at 22 March 2021 was £85.44 per share.

On 7 December 2022 to assist in the IPO the existing options were settled for a cash amount of £1,000,000.

	Number of Share options	Weighted average share price
4GLOBAL PLC		
Outstanding as at 31 March 2021	-	-
Granted during the year	2,305,872	78p
Exercised during the year	-	-
	<hr/>	<hr/>
Outstanding as at 31 March 2022	2,305,872	78p
	<hr/>	<hr/>

Options outstanding at 31 March 2022 had an exercise price of 35.6p - 91.0p.

The number of options exercisable as at 31 March 2022 is nil.

The vesting period ranges from 31 March 2023 to 7 December 2024.

The fair value of share options was estimated using the Black-Scholes option-pricing model. The estimated fair values of options granted are based on the following weighted average assumptions:

As at the year ended 31 March	2022	2021
Weighted average fair value (£ per option)	£0.42	£1.38
Weighted average remaining contractual life	9.7	0.5
	<hr/>	<hr/>

The estimated fair value of options granted are based on the following weighted average assumptions:

The estimated fair values of options granted are based on the following weighted average assumptions.

As at 31 March	2022	2021
Weighted average share price at date of grant	78p	£8.83
Weighted average exercise price	78p	£8.83
Expected life (years)	5	0.5
Expected volatility (%)	44.0	59.47
Risk free interest rate (%)	0.76	(0.014)

The volatility assumption, measured at the standard deviation of expected share price returns, is based on the volatility of a comparable listed company. The charge for equity-settled share-based payments in the relevant years is shown in Note 8.

19. Reserves

Share premium

Share premium records the amount above the nominal value received for shares sold, less transaction costs.

Share option reserve

The share-based payment reserve arises on share options issued by the 4GLOBAL Group to employees of the 4GLOBAL Group.

Merger reserve

The merger reserve arose on the group reconstruction when a share for share reconstruction took place and is the difference between the issue price and the nominal value of shares issued as consideration for the acquisition of subsidiary undertaking.

Warrant reserve

The warrant reserve arises on the warrants issued by the 4GLOBAL Group to certain advisers of the 4GLOBAL Group.

Capital redemption reserve

The capital redemption reserve arises on the repurchase of shares.

Currency translation reserve

The currency translation reserve arises on the currency translation of subsidiaries where the functional currency differs from the functional currency of the 4GLOBAL Group.

Retained earnings

The retained earnings reserve represents gains and losses recognised in the consolidated statement of comprehensive income.

20. Trade and other payables

As at 31 March	2022	2021
	£	£
Current		(Restated)
Trade payables	204,113	82,598
Contract liabilities	216,696	208,215
Payroll taxes, pension & social security	268,398	250,916
Other payables	399,347	422,868

1,088,554 964,597

The carrying values of the trade and other payables approximate to their fair value as at the year-end date. Other payables include accruals for general expenses incurred in the normal course of business that are expected to be settled within 12 months.

21. Borrowings

As at 31 March	2022	2021
	£	£
Non-current		
Borrowings	158,823	273,458
Current		
Borrowings	121,814	45,833

Borrowings includes a loan obtained in May 2020 under the Coronavirus Business Interruption Loan Scheme ("CBILS") of £250,000. The loan is repayable in monthly instalments by April 2026. The rate of interest applicable to the loan is 3.05% plus the Bank of England base rate. Under the scheme, the government has given a grant of the amounts of interest that would arise on the loan for the first 12 months (see note 7). This amount has been recognised in Other Operating Income. The Company has granted a fixed and floating charge over its assets in respect of this loan. A partial guarantee has been provided by the government.

Borrowings also includes a loan of £50,400 from Eloy Mazon, a director and shareholder of the Company. The loan was drawn down between December 2013 and September 2014 and bears interest at 5% plus the Bank of England base rate, which has been accrued with the loan. Interest is charged on the capital and outstanding interest. The balance outstanding at 31 March 2022 was £70,804.63 (2021: £69,293.43). The loan is repayable on demand. The loan was repaid in June 2022.

The carrying value of borrowings approximates to their fair value as at the year-end date.

22. Lease liabilities

	2022	2021
	£	£
As at 1 April	281,676	-
Additions	439,987	411,571
Interest expense	10,780	13,705
Payment of interest	(10,780)	(13,705)
Payment of principal	(186,470)	(129,895)
Disposal	(181,382)	-
As at 31 March	353,811	281,676

The 4GLOBAL Group has lease contracts for land and buildings. The 4GLOBAL Group does not have any leases where the 4GLOBAL Group is a lessor. The weighted average remaining term of all leases is disclosed below. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The land and buildings leases have been discounted at the 4GLOBAL Group's incremental borrowing rate of 4.1%.

The 4GLOBAL Group has identified four leases with lease terms of 12 months or less. The 4GLOBAL Group applies

the short-term lease recognition exemption for these leases. The expense recognised in respect of these leases is disclosed in Note 8.

	2022	2021
	£	£
Maturity analysis of leases		
Current	353,811	134,403
1 to 2 years	-	147,273
	<hr/>	<hr/>
	353,811	281,676
	<hr/>	<hr/>
	As at	As at
	31 March	31 March
	2022	2021
	Years	years
Weighted average remaining term	1	2
	<hr/>	<hr/>

23. Financial instruments

The 4GLOBAL Group's treasury policy is to avoid transactions of a speculative nature. In the course of trade the 4GLOBAL Group is exposed to a number of financial risks that can be categorised as market, credit and liquidity risks. The Board has identified the risks within each category and considers the impact on the activities of the 4GLOBAL Group as part of their regular meeting routine.

Principal financial instruments

The principal financial instruments used by the 4GLOBAL Group, from which financial instrument risk arises, are as follows:

Trade and other receivables
Cash and cash equivalents
Trade and other payables
Borrowings
Lease liabilities

A summary of the financial instruments held by category is provided below:

	As at 31 March 2022	As at 31 March 2021
	£	£
Financial assets at amortised cost		
Cash and cash equivalents	3,050,948	775,342
Trade and other receivables	1,012,720	1,730,356
	<hr/>	<hr/>
Total financial assets	4,063,668	2,505,698
	<hr/>	<hr/>

The fair value of short-term deposits and other financial assets approximates to the carrying amount.

	2022	2021
Financial liabilities at amortised cost		Restated
Borrowings	280,637	319,291

Trade and other payables	588,535	505,466
Lease liabilities	353,811	281,676
	<hr/>	<hr/>
	1,222,983	1,106,433
	<hr/> <hr/>	<hr/> <hr/>

The Directors consider that the carrying amounts of all financial assets and financial liabilities recognised in the financial information approximate their fair values (due to their nature and short times to maturity).

Currency risk

The 4GLOBAL Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The 4GLOBAL Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise, as in the opinion of the Directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so.

The 4GLOBAL Group has no trade and other payables denominated in the currencies other than pounds sterling. The trade and other receivables balances held by the 4GLOBAL Group in currencies other than pounds sterling are as follows:

	As at 31 March 2022	As at 31 March 2021
	£	£
Euro	1,241	1,115
New Zealand Dollar	11,425	-
Saudi Arabian Riyal	-	34,631
United States Dollar	70,653	-
	<hr/>	<hr/>
	83,319	35,746
	<hr/> <hr/>	<hr/> <hr/>

The cash balances held by the 4GLOBAL Group in currencies other than pounds sterling are as follows:

	As at 31 March 2022	As at 31 March 2021
	£	£
Saudi Arabian Riyal	10,655	423,294
Euro	14,182	-
US Dollar	3,339	-
Turkish Lira	18,974	17,546
	<hr/>	<hr/>
	47,150	440,840
	<hr/> <hr/>	<hr/> <hr/>

Foreign currency sensitivity analysis

A 10% movement in the relevant foreign currency exchange rates would increase/(decrease) net assets as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	TRY	USD	EUR	NZD
As at 31 March 2020	£	£	£	£
Effect on net assets:				
GBP strengthened by 10%	(931)	(2,603)	(10,287)	(14,228)
GBP weakened by 10%	1,138	3,181	12,573	17,390
	<hr/>	<hr/>	<hr/>	<hr/>

	TRY	SAR
As at 31 March 2021	£	£
Effect on net assets:		
GBP strengthened by 10%	(1,595)	(41,630)
GBP weakened by 10%	<u>1,950</u>	<u>50,881</u>

	TRY	USD	EUR	SAR
As at 31 March 2022	£	£	£	£
Effect on net assets:				
GBP strengthened by 10%	(1,725)	(295)	(1,321)	(975)
GBP weakened by 10%	<u>2,108</u>	<u>381</u>	<u>1,537</u>	<u>1,176</u>

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the 4GLOBAL Group. Credit risk within the 4GLOBAL Group arises from cash and cash equivalents, and trade and other receivables. The maximum exposure to credit risk is the carrying amount of these financial instruments.

The 4GLOBAL Group is subject to concentrations of credit risk from cash deposits in excess of insured limits. The 4GLOBAL Group places its cash in financial institutions which are considered high quality financial institutions by management. At times, such cash deposits may be in excess of insured limits. The 4GLOBAL Group does not enter into any derivatives to manage credit risk.

The 4GLOBAL Group calculates expected loss allowances based on the maximum contractual year over which the 4GLOBAL Group is exposed to credit risk. Financial assets are considered to be credit-impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The 4GLOBAL Group also applies a rebuttable presumption that an asset is credit-impaired when contractual payments are more than 30 days past due. The 4GLOBAL Group has made an assessment of whether trade receivables are credit-impaired as each of the years in question. The 4GLOBAL Group has taken into account the current financial position of counterparties and expected future cash flows together with actual and forecast financial information, in order to estimate the probability of default of each of these financial assets as well as the loss upon default. No provision for expected credit losses has been made.

The contractual cash flows on these financial assets have not been modified or renegotiated in the current or prior year.

If there is evidence that there is no reasonable expectation of recovery and the counterparty is in severe financial difficulties, the financial asset will be written off.

The following table provides an analysis of trade receivables that were due, but not impaired, at each financial year end. The Group believes that the balances are ultimately recoverable based on a review of past impairment history and the current financial status of customers.

	As at 31 March 2022	As at 31 March 2021
	£	£
Current 1 - 30 days	412,666	292,901
30 - 60 days	162,935	136,627
61 - 90 days	110,483	2,379
91 + days	80,102	20,884

Provision for impairment of trade receivables	(12,941)	(2,260)
---	-----------------	---------

Total trade receivables - net

753,245	450,531
----------------	----------------

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2021 and, consequently, no further provisions have been made for bad and doubtful debts.

The allowance for bad debts has been calculated using a 12-month lifetime expected credit loss model, as set out below, in accordance with IFRS 9.

	As at 31 March 2022			As at 31 March 2021		
	£	%	£	£	%	£
Current 1 - 30 days	412,666			292,901		
31 - 60 days	162,935			136,627		
61 - 90 days	110,483			2,379		
91 + days	80,102	16%	(12,941)	20,884	11%	(2,260)
	412,666		(12,941)	292,901		(2,260)

Credit Quality of Financial Assets

	As at 31 March 2022	As at 31 March 2021
	£	£
Past due not impaired		
Current	412,666	292,901
31 - 90 days	273,418	139,006
Over 91 days - no impairment	67,161	18,624
	412,666	292,901
Total past due not impaired	753,245	450,531

Liquidity risk

The 4GLOBAL Group is exposed to liquidity risk as part of its normal trading cycle. The 4GLOBAL Group's policies ensure sufficient liquidity is available to meet foreseeable needs through the preparation of short and long-term forecasts. The 4GLOBAL Group's requirements are constant throughout the year and relate largely to working capital which is managed through the use of surplus cash.

The table below summarises the maturity profile of the 4GLOBAL Group's financial liabilities, based on contractual,

undiscounted payments:

	Less than 1 year	2 to 5 years	More than 5 years	Total
Year ended 31 March 2021	£	£	£	£
Borrowings	45,833	269,291	4,167	319,291
Trade and other payables	505,466	-	-	505,466
Lease liabilities	134,403	147,273	-	281,676
	685,702	416,564	4,167	1,106,433

	Less than 1 year	2 to 5 years	More than 5 years	Total
Year ended 31 March 2022	£	£	£	£
Borrowings	121,814	158,823	-	280,637
Trade and other payables	588,535	-	-	588,535
Lease liabilities	353,811	-	-	353,811
	1,064,160	158,823	-	1,222,983

Capital risk

The Directors define capital as the total equity of the company. The Directors' objectives when managing capital are to safeguard the 4GLOBAL Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain an optimal capital structure, the Directors may adjust the amount of dividends paid to stockholders, return capital to stockholders and issue new stock to reduce debt.

24. Net funds reconciliation

	As at 31 March 2022	As at 31 March 2021
	£	£
Cash and cash equivalents	3,050,948	775,342
Borrowings - repayable within one year	121,814	45,833
Borrowings - repayable after one year	158,823	273,458
Net funds	3,331,585	1,094,633
Cash and liquid investments	3,050,948	775,342
Gross debt - variable interest rates	280,637	319,291
Net funds	3,331,585	1,094,633

25. Commitments

The 4GLOBAL Group has not identified any lease contracts that have not yet commenced as at the end of each year. Consequently, the 4GLOBAL Group has not identified any material commitments.

26. Ultimate controlling party

As at 31 March 2022, the ultimate controlling party of the 4GLOBAL Group is Eloy Mazon by virtue of his 50.5% shareholding in 4GLOBAL PLC.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR DZGGNGVDGZZZ

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2022 London Stock Exchange plc. All rights reserved.