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Registered number: 2413680

Stanley Davis Group Limited

Financial statements

For the year ended 30 June 2020

STANLEY DAVIS GROUP LIMITED

Financial Statements

For the year ended 30 June 2020

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Business Overview

Stanley Davis Group Limited is a leading provider of cloud-based e-service software applications and other related services to the legal, accounting and financial services industries as well as consumers.

Principal activity

The principal activity of the group and the Company is that of Company Registration Agent, Search Agent, Energy Performance Certificate provider, Corporate services provider and Company Secretarial services provider.

Review of Operations for the Years Ended 30 June 2020 and 2019

The following discussion includes an explanation of the primary factors in changes in operations for the years ended 30 June 2020 and 2019.

For the Years ended 30 June	2020	2019	Change	Change
	£'000	£'000	£'000	%
Revenues	**3,563**	**3,751**	(188)	-5%
Expenses				
Direct costs	**(743)**	**(1,026)**	283	-28%
General and administrative	**(2,660)**	**(2,891)**	231	-8%
Income before the following	**160**	**(166)**	326	-196%
Depreciation and amortization	**(173)**	**(239)**	66	-28%
Finance costs	**(84)**	**(168)**	84	-50%
Other income	**675**	**835**	(160)	-19%
Income before taxes	**578**	**262**	316	121%
Current and deferred tax expense	**1**	**(3)**	4	-133%
Income for the period	**579**	**259**	320	124%

Revenues

Net revenue was £3,562,995 for the year ended 30 June 2020, a decrease of 5% compared to the same period in 2019. The decrease was primarily attributable to a reduction in volume in the Company's property search department following the reduction in volume of two large customers due to intense competition in the market.

Direct costs

For the year ended 30 June 2020, direct costs were £743,475, a decrease of 28% compared to 2019. The decrease was primarily attributable to reduced volume in conjunction with increased efficiency in the property search department.

General and administrative expenses

General and administrative expenses decreased by 8% to £2,659,564 for the year ended 30 June 2020 compared to same period in 2019. The decrease was primarily attributable to a decrease in employee costs as a result of a rationalisation of some back office functions and a reduction in rent charge following the introduction of IAS16.

Depreciation and amortisation

Depreciation and amortisation reduced in the year ended 30 June 2020 compared to same period in 2019 following a reduction in the impairment charge for the year amounting to £200,171. There was an £134,838 increase in amortisation attributable to the amortisation on right to use assets.

Finance costs

Finance costs decreased by £50% to £84,195 for the year ended 30 June 2020 compared to same period in 2019. The decrease is primarily due to interest being waived on the directors loans which was charged in 2019 being partially offset by a charge for interest on leased assets in accordance with IAS 16.

Other income

Other income reduced by 19% to £675,239 for the year ended 30 June 2020 compared to same period in 2019. The increase was primarily due to interest in directors loans being waived during the year and this was offset by a reduction in dividends received from subsidiary undertakings.

Liquidity and Capital Resources

The Company manages its capital structure based on the funds available to it in order to support the continuation of and expansion of its operations and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company defines capital to include the components of shareholders' equity as well as its borrowings. The Company intends to rely on positive cash flows from operations and, if required, additional financings to achieve its growth strategies.

Cash Flows

The primary source of cash flow is revenue collected from transactions completed for clients. The Company's approach to liquidity is to always have sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue to budget.

	2020 £'000	2019 £'000
Cash	262	596
Net cash provided by (used in):		
Operating activities	1,261	(402)
Investing activities	724	429
Financing activities	(2,319)	37
Effect of foreign exchange on cash	—	—
Net increase (decrease) in cash	(334)	64

Operating activities

For the year ended 30 June 2020, cash provided by operating activities was £1,261,121 compared to an outflow of £402,072 for the comparable period in 2019. The increase in cash provided was primarily due to lower revenues and changes in non-cash working capital items driven by an increase in accounts payable and accrued liabilities following an increase in intercompany loan accounts.

Investing activities

For the year ended 30 June 2020, investing activities increased cash by £724,169 in cash compared to £429,180 for the same period in 2019. This increase was primarily due to cash payments for two acquisitions amounting to £285,000 in the year ended 30 June 2019 whereas in 2020 the company disposed of its holding in Heat Outdoors Limited and received a repayment of the loan provided to this entity. In addition, no dividends were received from subsidiary undertakings in 2020 compared to £695,298 in 2019.

Financing activities

For the year ended 30 June 2020, financing activities used 2,319,255 in cash compared to an inflow of £36,845 for the same period in 2019. This decrease was primarily due to £2,100,000 repayments for director loans in 2020. In addition, IAS 16 has reclassified rent payment as repayments of lease obligations and this amounted to £261,255.

Contractual Obligations
The Company is committed to minimum lease payments for its office and equipment leases with remaining terms ranging from two to eight years. Please refer to note 14 of the Annual Financial Statements for details.

Off-Balance Sheet Arrangements
The Company does not have any off-balance sheet arrangements as of the date of this report.

Critical Accounting Estimates
Please refer to note 4 of the Annual Financial Statements for a description of the Company's critical accounting estimates and judgments.

New standards, amendments and interpretations issued but not yet adopted by the Company
The Company applied IFRS 16 – *Leases* ["IFRS 16"] and IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatments* ["IFRIC 23"] for the first time effective July 1, 2020.

Risks and Uncertainties

Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk in the event of non-performance by clients, but does not anticipate any such non-performance which would be material. To the extent necessary, the Company takes steps to monitor the credit risk of clients.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate risk under previous bank loans and financing arrangements. The Company is not exposed to interest rate risk at 30 June 2020.

Market Risk

The Company is exposed to market risk primarily in terms of revenue generation. The Company's revenue is driven by transaction volumes which has historically increased with the growth and strength of the United Kingdom economy. The Company monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue.

Whilst it is difficult to predict the overall outcome and impact of Brexit and COVID-19, the directors remain confident that the has adequate resources to manage the situation. Markets have already started to recover but the effects have been more unpredictable than normal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash resources are managed based on financial forecasts and anticipated cash flows. Contractual maturities such as directors' loans, accounts payable and accrued liabilities are exposed to liquidity risk.

Foreign Exchange Risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries.
At 30 June 2020, the Company had net assets denominated in euros of £575 [€672] [2019 – £335 or €405]. A 10% variation in the euro to pound exchange rate, and if all other variables remain constant, would have a pre-tax impact of £77 for the year ended 30 June 2020 [2019 – £74] and pre-tax impact in equity of £58 at 30 June 2020 [2019 – £33].

Key performance indicators

The directors have identified turnover, profit before tax and net cash flows from operating activities as the major KPI's of the Group.

- Turnover for the year was £3,562,995 (2019: £3,751,248) a decrease of 5% on the prior year.
- Profit before tax for the year was £577,813 (2019: £262,563) an increase of 121% on last year.
- Net cash flows from operating activities increased to £1,261,121 (2019: outflow of £402,073).

ON BEHALF OF THE BOARD

Tom Durbin St George
Director
4 September 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Strategic Report

The Company is required to prepare a fair review of the business of the Group during the financial year ended 30 June 2020 and of the position of the Group at the end of the financial period and a description of the principal risks and uncertainties facing the Group (known as a 'strategic report'). Information is not shown in the directors' report because it is shown in the strategic report instead under s414c (11). Information shown is the business review and principal risks and uncertainties and key performance indicators.

Results and dividends

The profit for the year amounted to £578,400 (2019: £259,574). The directors did not pay an interim dividend this year and do not recommend the payment of a final dividend (2019: £nil).

Directors

The directors who served during the period were:

Conor James Maquire (appointed 25 June 2020)
Tom Durbin St George (appointed 24 June 2020)
Neil Dolby (resigned 24 June 2020)
David Kaye (resigned 24 June 2020)
Stanley Davis (resigned 24 June 2020)
Andrew Davis (resigned 24 June 2020)
Miranda Lyndsay- Fynn (resigned 24 June 2020)
Nigel Lyndsay-Fynn (resigned 24 June 2020)

Future developments

The directors are not expecting to make any significant changes in the nature of the business in the near future but acquisitions remain a key focus for the Company's further growth.

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that each 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's auditors are aware of that information.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period and otherwise comply with the Companies Act 2006. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the EU have been followed for the financial statements, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 4 September 2020 and signed on its behalf.

Tom Durbin St George
Director

To the members of **Stanley Davis Group Limited**

Opinion

We have audited the financial statements of Stanley Davis Group Limited (the 'company') for the period ended 30 June 2020 which comprise the Statement of income and comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standards 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mathew Osbourne (Senior Statutory Auditor)
For and on behalf of Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
Leeds
Date: 7 September 2020

STANLEY DAVIS GROUP LIMITED

Statement of income and comprehensive income

For the year ended 30 June 2020

	Notes	2020	2019
		£	£
Revenues		3,562,995	3,751,248
Expenses			
Direct Costs		(743,476)	(1,026,360)
General and administrative		(2,659,564)	(2,890,762)
Income before the following		159,955	(165,874)
Depreciation and amortisation		(173,186)	(238,807)
Operating profit	24	(13,231)	(404,681)
Finance expense	25	(84,195)	(168,000)
Other income	26	675,239	835,244
Profit before taxation		577,813	262,563
Current and deferred taxation expense	20	587	(2,989)
Profit for the financial period attributable to the Company's equity shareholders		578,400	259,574

Statement of Comprehensive Income

	2020	2019
	£	£
Profit for the financial period	578,400	259,574
Total comprehensive profit for the financial period attributable to the Company's equity shareholders	578,400	259,574

STANLEY DAVIS GROUP LIMITED

Statement of Financial Position as at 30 June

For the year ended 30 June 2020

	Notes	2020	2019	2018
Assets		**£**	**£**	**£**
Non-current assets				
Property, plant and equipment	6	63,266	96,786	79,205
Intangible assets	7	762,485	762,485	677,656
Right of use assets	8	726,399	-	-
Investment in LT lease	14	45,600	-	-
Fixed asset investment	9	4,934,703	5,084,703	4,909,703
		6,532,453	5,943,974	5,841,563
Current assets				
Stock	10	6,200	8,950	7,200
Investment in ST lease	14	30,969	-	-
Trade and other receivables	11	866,284	1,706,815	1,933,760
Due from related parties	18	77,376	382,176	464,776
Current tax		8,119	7,532	-
Cash and cash equivalents		261,713	595,678	531,725
		1,250,661	2,701,151	2,937,461
Total Assets		7,783,114	8,645,125	8,779,024

STANLEY DAVIS GROUP LIMITED

Statement of Financial Position as at 30 June

For the year ended 30 June 2020

Equity and liabilities				
Capital and reserves				
Share capital		6,218	5,908	5,908
Share premium account		2,794,098	2,794,098	2,794,098
Retained earnings		2,099,607	1,521,207	1,261,633
Shareholders' funds		4,899,923	4,321,213	4,061,639
Current liabilities:				
Trade and other payables	12	1,255,240	1,772,535	1,765,675
Lease liabilities	14	225,410	-	-
Due to related parties	18	808,751	434,929	835,777
Loans and borrowings	13	-	2,100,000	2,100,000
Current tax		-	-	2,468
		2,289,401	4,307,458	4,703,920
Non-current:				
Lease liabilities	14	577,336	-	-
Deferred Tax liabilities	20	16,454	16,454	13,465
		593,790	16,454	13,465
Total liabilities		2,883,190	4,323,912	4,717,385
Total equity and liabilities		7,783,114	8,645,125	8,779,024

The financial statements were approved by the Board of Directors on 4 September 2020 and were signed on its behalf by:

Tom Durbin St George
Director
Registered number: 04267328

STANLEY DAVIS GROUP LIMITED

Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital £	Share premium account	Retained earnings £	Total £
For the period ended 30 June 2020				
Balance at 1 July 2019	5,908	2,794,098	1,521,207	4,321,213
Profit for the period	-		578,400	578,400
Total comprehensive income	-	-	578.400	578,400
Transactions with owners:				
Shares issued	310	-	-	310
Balance at 30 June 2020	6,218	2,794,098	2,099,607	4,899,923
For the year ended 30 June 2019				
Balance at 1 July 2018	5,908	2,794,098	1,261,633	4,061,639
Profit for the year	-	-	259,574	259,574
Total comprehensive income	-	-	259,574	259,574
Transactions with owners:				
Dividends paid	-		-	-
Balance at 30 June 2019	5,908	2,794,098	1,521,207	4,321,213

STANLEY DAVIS GROUP LIMITED

Statement of Cash Flows for the period ended 30 June

For the year ended 30 June 2020

	2020	2019
	£	£
Cash flow from operating activities		
Profit for the financial period before tax	577,813	262,562
Depreciation	38,347	38,636
Amortisation	134,838	200,171
Finance income	(100,686)	(835,243)
Finance expense	(490,358)	168,000
Tax paid	-	(10,000)
	159,954	(175,874)
Changes in working capital		
Decrease/(increase) in stock	2,750	(1,750)
Decrease in trade and other receivables	317,612	337,545
(Decrease) / increase in trade and other payables	780,806	(561,993)
Cash inflow from operating activities	1,261,121	(402,073)
Cash outflow from financing activities		
Rent received	42,000	36,845
Payments for lease obligations	(261,255)	-
Repayment for directors' loans	(2,100,000)	-
Net cash used in financing activities	(2,319,255)	36,845
Cash flow from investing activities		
Purchase of property and equipment	(4,827)	(56,218)
Acquisition consideration paid	-	(285,000)
Loan (to)/repaid from associated undertaking	478,000	(28,000)
Receipt from sale on associated undertaking	150,000	-
Interest received	58,686	51,100
Dividend received	42,000	747,298
Increase in share capital	310	-
Net cash used in investing activities	724,169	429,180
Net increase in cash and cash equivalents	(333,965)	63,953
Cash and cash equivalents at beginning of financial period	595,678	531,725
Cash and cash equivalents at end of financial period	261,713	595,678

1. Description of the business

Stanley Davis Group Limited [the "Company"] is a leading provider of cloud-based e-service software applications and other related services to the legal, accounting and financial services industries as well as consumers. The Company is incorporated and domiciled in England & Wales under the Companies Act and is a tax resident in the United Kingdom. The Company's registered head office is located at One George Yard, London, United Kingdom, EC3V 9DF.

2. Basis of preparation

The financial statements of Stanley Davis Group Limited ("the Company") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, IFRIC interpretations, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. All financial information is presented in pounds sterling (£) except as otherwise indicated.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2020.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Consolidated financial statements are not prepared as the Company is part of a larger group which includes this entity in its consolidation. A copy of the consolidated financial statements of the group is available at www.dyedurham.com/invest/

The financial statements of the Company were authorised for issue in accordance with a resolution of the Board of Directors on 4 September 2020.

3. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of measurement

The financial statements are prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities, which are presented at fair value in pounds sterling, the Company's reporting currency. All financial information is presented in pounds sterling (£), rounded to the nearest thousands, except as otherwise indicated.

IFRS transition

The Company has not adopted any IFRS 1 exemptions from the full retrospective application of IFRS.

Disclosures regarding the transition to IFRS are given in note 20.

Going Concern

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy – the company's current level of cash is positive and many of the company's customers operate within sectors that are considered critical to the UK.

In reaching their conclusion, the directors have considered their cash flow from a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK government, and the availability of funding both externally and internally.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

Foreign exchange

Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of income and other comprehensive income [loss].

The assets and liabilities from foreign operations are translated at the year-end exchange rate and related revenues and expenses at the average exchange rate for the year. Differences resulting from the translation of foreign operations are recognized in other comprehensive income [loss].

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held, and other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash. Cash and cash equivalents are not subject to a risk of change in fair value.

Property and equipment

Property and equipment is recorded at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Depreciation is provided for annually on a straight-line basis using the following useful lives:

Land and buildings leasehold	5 years
Fixtures and equipment	3 to 5 years

Property and equipment and any significant part initially recognized is derecognized upon disposal [i.e., at the date the recipient obtains control] or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of income and comprehensive income when the asset is derecognized. The residual values, useful lives and methods of depreciation of equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of non-financial assets

Property and equipment are reviewed for impairment when events or circumstances indicate that the carrying amounts may not be recoverable. Goodwill is not subject to amortization but is assessed for impairment on at least an annual basis and, additionally, whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amount is estimated annually on June 30 of each year.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. The recoverable amount is the higher of an asset's, or groups of CGUs' fair value less costs to sell and value in use [being the present value of the expected future cash flows of the relevant asset or groups of CGUs]. An impairment loss is measured as the amount by which the asset's, or groups of CGUs' carrying amount exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of income and comprehensive income.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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 assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

[a] Initial recognition

Appropriate classification of financial assets and financial liabilities is determined at the time of initial recognition or when reclassified on the consolidated statements of financial position using one of the following measurement categories:

(i) Amortized cost;
(ii) Fair value through other comprehensive income ["FVTOCI"]; or
(iii) Fair value through profit or loss ["FVTPL"].

Financial assets:

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVTOCI, or FVTPL. The classification of financial assets are generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
  and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of income and other comprehensive income [loss] when the asset is derecognized, modified or impaired.

Financial liability:

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as a FVTPL upon initial recognition if:

I. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
II. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis at a group level; or
III. it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as FVTPL.

For financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statements of income and comprehensive income [loss]. The remaining amount of change in the fair value of liability is recognized in the consolidated statements of income and comprehensive income [loss]. The gain or loss recognized in the consolidated statements of income and comprehensive income [loss] incorporates any interest paid on the financial liability and is included in finance costs, net.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) designated as FVTPL are subsequently measured at amortized cost using the effective interest rate method. Interest paid from these financial liabilities is included in finance costs, net using the effective interest rate method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in consolidated statements of income.

Impairment of financial assets

As the Company's financial assets are substantially made up of trade receivables, which are measured at amortized cost, the Company has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses ["ECL"]. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Leases

In January 2016, the IASB issued IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. In accordance with the IFRS 16 the Company has not restated comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company adopted the new standard beginning 1 July 2019. The standard will increase assets by £861,287 as at 1 July 2019 and liabilities by £861,238.

Assets held under finance leases are initially recognized as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as a finance lease obligation.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income and comprehensive income, net of any reimbursement.

Employee benefits

The Company has certain pension plans, which consist of defined contribution plans. These plans take different forms depending on the legal, financial and tax regime of each country. The cost of defined contribution pension plans is charged to expense as the contributions become payable and cease when an employee leaves the Company.

Revenue from contracts with customers

Revenue is recognized when, or as control of the promised good or services is transferred to the customer. The Company's revenue primarily comprises of revenue from highly reoccurring transaction fees earned through charging customers for the use of the Company's cloud-based e-service software applications and by providing services to the customers.

The Company contracts with its customers for the use of its cloud-based e-service software applications and services, and each transaction undertaken is generally a performance obligation. The Company has concluded that revenue should be recognized at the point in time when control of the promised good or service is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. As such, these transaction fees are recognized upon completion of each respective transaction.

Deferred revenue, classified as contract liabilities under International Financial Reporting Standards ["IFRS"] 15, relates to payments received in advance of performance under contracts with customers. Contract liabilities are recognized as [or when] the Company satisfies its performance obligation under the contracts.

The group adopted IFRS 15 on 1 January 2018 using the fully retrospective method. The effect of the following amounts of cost of sales expenses were set against revenue in the following accounting years, 2019 £2,034,404 and 2020 £1,853,612. There was no effect on overall profit from these adjustments.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statements of income except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case the income tax is also recognized directly in other comprehensive income or equity.

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred taxation

Deferred tax is provided for based on temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it will not be recognized.

Income per share

Basic net income per share is calculated by dividing the net income of the Company by the weighted average number of common shares outstanding during the year. Diluted net income per share is calculated by dividing the net income of the Company by the weighted average number of shares outstanding, adjusted for all potentially dilutive equity instruments, as applicable. The Company does not have any potentially dilutive equity instruments.

4. Significant accounting judgements and estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The Company bases its estimates on historical experience as well as on various other assumptions that are believed to be reasonable under the circumstances at the time. Under different assumptions or conditions, the actual results would differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions and estimates are beyond the Company's control. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and will be recorded with corresponding impact on net income.

Significant assumptions about the future and other sources of estimation uncertainty that management has made, relate to, but are not limited to the following:

Goodwill - The Company performs asset impairment assessments for goodwill on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred.

Goodwill is allocated to a CGU or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment. The testing for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset, CGU or group of CGUs to the carrying amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU or group of CGUs to which it belongs. The recoverable amount calculations use a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Investments - The Company performs asset impairment assessments for investments on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred.

Investments relate to a CGU or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment. The testing for impairment of an investment is to compare the recoverable amount of the asset to the carrying amount. The recoverable amount is determined for an individual asset. The recoverable amount calculations use a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Impairment of long-lived assets - Long-lived assets primarily consist of property and equipment. An impairment loss is recognized when the carrying value of the CGU, which is defined as the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups, exceeds the CGU's recoverable amount, which is determined using a discounted cash flow method. The Company tests the recoverability of its long-lived assets when events or circumstances indicate that the carrying values may not be recoverable. While the Company believes that no impairment is required, management must make certain estimates regarding the Company's cash flow projections that include assumptions about growth rates and other future events. Changes in certain assumptions could result in an impairment loss being charged in future period.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Company.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these financial statements, the following could have a material impact on the Company's financial statements going forward:

New/Revised International Financial Reporting Standards		**Effective Date: Annual periods beginning on or after:**	**EU adopte d**
IAS 1	Amendments to IAS 1 and IAS 8: Definition of M	1 January 2020	No
IFRS 3	*Definition of a Business – Amendments to IFRS 3*	1 January 2020	No
	The Conceptual Framework for Financial Reporting	1 January 2020	No
IAS 1	*Classification of Liabilities as Current or Non-current - Amendments to IAS 1*	1 January 2022	No

New / revised International Financial Reporting Standards which are not considered to potentially have a material impact on the Company's financial statements going forwards have been excluded from the above.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed below are not expected to have a material impact on the Company's financial statements.

There are no other standards and interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the Company.

6. Property and equipment

Company	**Land and buildings leasehold**	**Fixtures and equipment**	**Total**
	£	**£**	**£**
Cost			
At 1 July 2018	55,705	252,552	308,257
Additions	-	56,217	56,217
At 30 June 2019	55,705	308,769	364,474
Additions	-	4,827	4,827
At 30 June 2020	**55,705**	**313,596**	**369,301**
Depreciation			
At 1 July 2018	16,370	212,682	229,052
Provided in the year	11,138	27,498	38,636
At 30 June 2019	27,508	240,180	267,688
Provided in the year	11,141	27,207	38,347
At 30 June 2020	**38,649**	**267,387**	**306,036**
Net book amount at 30 June 2020	**17,056**	**46,210**	**63,266**
Net book amount at 30 June 2019	**28,197**	**68,589**	**96,786**
Net book amount at 30 June 2018	39,335	39,870	79,205

In preparing the financial statements the directors have also considered the likelihood of any post year end impairment to asset values that may have arisen as a result of the COVID-19 pandemic. The directors have concluded that no such impairment has arisen and, accordingly, there has no material diminution in asset values following the year end.

7. Goodwill

	£
Cost	
At 1 July 2018	2,709,035
Additions	285,000
At 30 June 2020 and 30 June 2019	**2,994,035**
Amortisation	
At 1 July 2018	2,031,379
Provided in the year	200,171
At 30 June 2019	2,231,550
Provided in the year	-
At 30 June 2020	**2,231,550**
Net book amount at 30 June 2020	**762,485**
Net book amount at 30 June 2019	762,485
Net book amount at 30 June 2018	677,656

2019 Acquisitions

On December 13, 2018, the Company acquired the goodwill and website of the brand Set Up A Company for a purchase price of £50,000. On March 27, 20 the Company acquired the goodwill and website of the brand @UKPLC for a purchase price of £279,000. Goodwill of £285,000 was recognised for these acquisitions.

Goodwill is tested for impairment at the operating segment level which represents a group of CGUs. The Company determined through its annual impairment test that the recoverable amount was greater than the carrying amount and as a result no impairment charge is required.

Valuation approach
The recoverable amount is the higher of [i] an asset's or CGU's fair value less costs to sell and [ii] its value-in-use. Under the value-in-use approach, fair value is calculated based on the present value of future cash flows expected to be derived. In performing the annual impairment test for the Company's CGUs, the Company measured the value-in-use incorporating certain key management assumptions. The discounted cash flow method was used, which involves projecting cash flows and converting them into a present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risks associated with the CGU and the time value of money. This approach requires assumptions about revenue growth rates, operating margins, and discount rates.

Significant assumptions

For the purpose of the impairment tests, management projected revenue, operating margins and other cash flows. In arriving at its forecasts, the Company considered past experience as well as economic, market and industry trends. In addition, the Company assumed a market post-tax discount rate in order to calculate the present value of its projected cash flows. The post-tax discount rate represented a weighted average cost of capital ["WACC"] for comparable companies operating in similar industries, based on publicly available information. Determination of the WACC requires separate analysis of the cost of equity and debt and considers a risk premium based on an assessment of risks related to the projected cash flows of the Company. Growth rates are based on management's best estimates considering historical and expected operating plans, strategic plans and industry outlook. Management has applied no growth in its forecasts and applied a discount rate of up to 8%.

Management performed various sensitivity analyses on the key assumptions. Sensitivity analysis indicates reasonable changes to key assumptions will not result in an impairment loss.

8. Right of Use Assets

Outstanding

The Company has lease contracts for office space and equipment, with remaining terms ranging from two to eight years.

The following table presents the right-of-use assets for the Company:

	2020	2019	2018
	£	£	£
At 1 July, 2019	861,237	-	-
Depreciation	(134,838)	-	-
At 30 June, 2020	726,399	-	-

The company has applied IFRS 16 – 'Leases' effective for periods commencing on or after 1 January 2019) in preparing the statements of financial position as at 30 June 2020.

The company has recognised new assets and liabilities for its operating leases of offices. The nature of expenses related to those leases will change because the company has recognised a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the company recognised operating lease expenses on a straight-line basis over the term of the lease and recognised assets and liabilities only to the extent that there is a timing difference between actual lease payments and the expense recognised.

9. Fixed Asset Investments

	Shares in associated undertakings	Shares in subsidiary undertakings	Total Investment
	£	£	£
Cost:			
At 1 July 2018	150,000	7,976,027	8,126,027
Acquisition	-	-	-
At 30 June 2019	150,000	7,976,027	8,126,027
Disposal	(150,000)	-	-
At 30 June 2020	-	**7,976,027**	**7,976,027**
Provision for diminution in value:			
At 1 July 2017	-	3,041,324	3,041,324
Provided during the year	-	-	-
At 30 June 2018 and 30 June 2019	-	**3,041,324**	**3,041,324**
Net book amount at 30 June 2019	-	**4,934,703**	**4,934,703**
Net book amount at 30 June 2019	**150,000**	**4,934,703**	**5,084,703**
Net book amount at 30 June 2018	150,000	4,934,703	5,084,703

The Company disposed of its 40% holding in Heat Outdoors Limited on 24 June 2020 for a consideration of £150,000. The Company was also owed £478,000 at this date and this debt was assigned at par value to Andrew Davis and Nigel Lindsay Fynn.

Subsidiary undertakings

At 30 June 2020, the Company owned 100% of the allotted ordinary share capital of the following principal trading subsidiary undertakings.

Brady & Co (Law Searchers) Limited	Republic of Ireland (1)	Property Search agent
Hibernian Legal (International) Limited (3)	Republic of Ireland (1)	Property Search agent
Formations Direct Limited	England and Wales (2)	Company Formations

(1) Registered office – 3 Inns Quay, Dublin 7, Ireland
(2) Registered office – Woodberry House, 2 Woodberry Grove, North Finchley, London, N12 0DR
(3) Shares held by Brady & Co (Law Searchers) Limited

The following companies are all dormant subsidiaries incorporated in England and Wales. All dormant group companies take advantage of the exemption from having their accounts audited. The registered office of the subsidiaries is One George Yard, London, EC3V 9DF with the exception of those marked (*) where it is Elizabeth House, 13-19, Queen Street, Leeds, LS1 2TW and those marked (**) where it is Woodberry House, 2 Woodberry Grove, North Finchley, London, N12 0DR.

JH Management Services Limited
JH Vat Services Limited
Brighton Company Formations Limited
Hanover Company Formations Limited
Limited Company Restorations Limited
Hanover Company Services Limited
Eurolife Company Services Limited
QF Registrars Limited (**)
Quick Formations Limited (**)
York Place Company Services Limited (*)
Blue Sky Formations Limited (**)

Investments in subsidiary undertakings are tested for impairment annually by comparing the carrying value of the investment with the aggregate recoverable amount of the underlying subsidiaries. The directors consider there to be no impairment as at 30 June 2020 or post year end.

10. Stocks

	2020	**2019**	2018
	£	**£**	£
Finished goods and goods for resale	6,200	**8,950**	7,200

11. Trade and other receivables

	2020	**2019**	2018
	£	**£**	£
Current			
Trade debtors	630,652	**1,014,855**	1,036,391
Other debtors	8,419	**24,957**	21,658
Amounts owed by associated undertaking	-	**478,000**	450,000
Prepayments and accrued income	227,213	**189,003**	425,711
	866,284	**1,716,815**	1,933,760

The following provision has been made for past due or impaired Trade receivables

	2020	**2019**	**2018**
	£	**£**	**£**
Bad and doubtful bad debt provision	156,451	47,489	61,935

Details of management's policies regarding the bad and doubtful debt provision can be seen in note 17 to the financial statements.

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are as follows:

	2020	**2019**	2018
	£	**£**	£
Trade creditors	278,547	**449,923**	409,676
Other taxation and social security	570,878	**395,325**	352,522
Pension creditor	17,535	**15,369**	13,294
Other creditors	3,000	**3,000**	3,000
Accruals and deferred income	385,280	**908,918**	987,183
	1,255,240	**1,772,535**	1,765,675

13. Loans and borrowings

Loans and borrowings comprise of the following:

	2020	**2019**	2018
	£	**£**	£
Directors loans	-	**2,100,000**	2,100,000
	-	**2,100,000**	2,100,000

The Directors' loans are not secured. These loans are payable on demand and interest is charged at a rate of 8% per annum but on 24 June 2020 the director waived the interest payable. The amount of interest credited on the loans during the year ended 30 June 2020 was £574,533 (2019 – charged £168,000, 2018 – charged £196,888) and this amount remains unpaid at the respective year ends. The loans were repaid in full on 24 June 2020.

14. Leases

Lease liabilities in respect of right of use assets comprise of the following:

	2020	**2019**	2018
	£	**£**	£
Right of use assets due < 1 year	225,410	-	-
Right of use assets due > 1 year	577,336	-	-
	802,746	-	-

Lease obligations in respect of rents payable on right of use assets were payable as follows:

	Lease payments	Interest	Present value of lease payments		
	2020	2020	2020	2019	2018
	£	£	£	£	£
Within one year	225,410	(72,315)	153,095	-	-
One to two years	205,410	(56,962)	148,448	-	-
Two to three years	145,410	(44,998)	100,412	-	-
Three to four years	145,410	(35,023)	110,387	-	-
Five or more years	327,173	(36,769)	290,404	-	-
	1,048,813	(246,067)	802,746	-	-

Lease Investments comprise of the following:

	2020	**2019**	2018
	£	**£**	£
Short term right of use asset	30,969	-	-
Long term right of use asset	45,600	-	-
	76,569	-	-

Lease obligations in respect of rents payable on right of use assets were payable as follows:

	Lease receipts	Interest	Present value of lease receipts		
	2020	2020	2020	2019	2018
	£	£	£	£	£
Within one year	36,000	(5,031)	30,969		
One to two years	47,937	(2,337)	45,600	-	-
	83,937	(7,368)	76,569	-	-

15. Capital stock

The authorized share capital of the Company consists of 10,000 common shares with par value of 1 Sterling each and 10,050,000 6% non-cumulative convertible redeemable preference shares (the "Preference Shares") of 1 Sterling each. The Preference Shares have no voting rights and may be converted to common shares at par. The Preference Shares are redeemable at any time at the option of the company.

	2019	2019	2018
	£	£	£
Allotted, called up and fully paid			
6,218 (2019 and 2018: 5,908) Ordinary shares of £1 each	**6,218**	5,908	5,908
	6,218	5,908	5,908

On 24 June 2020 the company issued 310 shares at par following the exercise of EMI share options.

As regards income and capital distributions, all categories of shares rank pari passu as if the same constituted one class of share.

Share premium account
This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve
This reserve records the nominal value of shares redeemed by the Company.

Profit and loss account
Includes all current and prior period retained profits and losses.

16. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company has determined that the fair values of cash and cash equivalents, receivables, due from related parties, accounts payable and accrued liabilities approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

There were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies during the years ended 30 June 2020, 2019 or 2018.

17. Financial instruments and risk management

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to pursue the development of its projects and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as its borrowings.

To maintain or adjust its capital structure, the Company may attempt to issue new shares, increase its borrowings and acquire, develop or dispose of assets. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company. There have been no material changes in the Company's capital management during the year.

The Company defines and monitors capital on the basis of the carrying amount of equity plus any borrowings less cash and cash equivalents as presented on the face of the balance sheet and as follows:

	2020	2019	2018
	£	£	£
Equity	4,899,923	4,321,213	4,061,639
Less: Cash and cash equivalents	(261,713)	(595,678)	(531,725)
	4,638,210	3,725,535	3,529,914

The Company is also exposed to a variety of financial risks by virtue of its activities including credit risk, interest rate risk, liquidity risk and foreign exchange risk.

These policies have not changed in the period. The Directors believe that they have been able to meet their objectives in managing the capital of the Company.

Credit risk

Credit risk is risk of financial loss to the Company if any counter-party to a financial asset fails to meet its contractual obligations. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated United Kingdom financial institutions. As at 30 June 2020, 28% of the Company's trade receivables are current [2019 – 53%, 2018 – 60%], 14% are between 1 to 90 days past due [2019 – 13%, 2018 – 14%] and 57% are over 90 days past due [2019 – 33%, 2018 – 26%]. At 30 June 2020, the Company has £789,036 [2019 – £1,064,487 2018 – £1,098,326] of receivables outstanding.

An analysis is performed at each reporting date by reviewing the aging of receivables and the Company updates its provision based on the result of the evaluation of each customers' recoverability considering the collection history and current economic environment. Trade receivables are written-off once determined after the qualitative assessment. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customer balances are not individually significant, and as at 30 June 2020, the Company had no customers owing more than 5% of all the trade receivables outstanding. In addition, the Company historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk at 30 June 2020.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

As at 30 June 2020, the Company has current assets of £1,250,661 [2019 – £2,701,151, 2018 – £2,937.461] to settle current liabilities of £2,289,401 [2019 – £4,307,458, 2018 – £4,703,920].

As per normal operating activities, the Company intends to rely on positive cash flows from operations and obtaining additional financing to achieve its future objectives. However, there can be no assurance that actual cash flows from operations will be as forecasted or that such equity and/or debt financings will be available on a timely basis under terms acceptable to the Company.
The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	30 June 2020					
	Year 1	Year 2	Year 3	Year 4	Year 5 and over	Total
	£	£	£	£	£	£
Accounts payable and accrued liabilities	1,225,240	—	—	—	—	1,225,240
Due to related parties	808,751					808,751
Lease liabilities incl interest	225,410	205,410	145,410	145,410	327,173	1,048,813
	2,259,401	**205,410**	**145,410**	**145,410**	**327,173**	**3,082,804**

	30 June 2019					
	Year 1	Year 2	Year 3	Year 4	Year 5 and over	Total
	£	£	£	£	£	£
Accounts payable and accrued liabilities	1,772,535	—	—	—	—	1,772,535
Due to related parties	434,929	—	—	—	—	434,929
Lease liabilities incl interest	272,670	225,410	205,410	145,410	472,583	1,321,483
Loans and borrowings	2,100,000	—	—	—	—	2,100,000
	4,580,134	225,410	205,410	145,410	472,583	5,628,947

	30 June 2018					
	Year 1	Year 2	Year 3	Year 4	Year 5 and over	Total
	£	£	£	£	£	£
Accounts payable and accrued liabilities	1,765,675	—	—	—	—	1,225,240
Due to related parties	835,777	—	—	—	—	835,777
Lease liabilities incl interest	222,720	215,410	-	205,410	617,993	1,261,533
Loans and borrowings	2,100,000	—	—	—	—	2,100,000
	4,924,172	215,410	-	205,410	617,993	5,422,550

Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The company has minimal foreign exchange risk at 30 June 2020, 2019 or 2018.

18. Related party transactions

The Company provided accountancy and other services amounting to £5,235 for the year ended 30 June 2020 (2019 – £5,797) to Palace Capital plc, a company in which Stanley Davis is a director. No amounts were owed by Palace Capital plc to the Company as of 30 June 2020 or 2019.

The Company made a loan to its investment in associate, Heat Outdoors Limited, and is owed £nil at 30 June 2020 (2019 – £478,000, 2018 – £450,000). Interest amounting to £47,993 was received during the year ended 30 June 2020 (2019 – £50,794). Interest on this loan is charged at 10% on the first £300,000 and 12% on the balance above £300 and is considered to be at market rate. The loan was assigned at par value to Nigel Lindsay-Fynn and Andrew Davis on 24 June 2020.

Directors loans were provided from: Andrew Davis in the amount of £nil at 30 June 2020 (2019 – £1,000,000 2018 – £1,000,000), Nigel Lindsay-Fynn in the amount of £nil at 30 June 2020 (2019 – £1,050,000, 2018 – £1,050,000) and Stanley Davis in the amount of £nil at 30 June 2020 (2019 – £50,000, 2018 – £5,0000). These loans are payable on demand and interest is charged at a rate of 8% per annum. The accrued interest on these loans was waived on 24 June 2020 and the amount of £574,533 was credited to the income statement. The amount of interest charged on the loans during the year ended 30 June 2019 was £168,000 and in 2018 was £196,888.

The following is a summary of transactions between subsidiary entities

30 June 2020

Group Company	Type of transaction	Amount £
Formations Direct Limited	Recharge of salary and management fees	1,120,823
Formations Direct Limited	Intercompany balance due from/(to)	(490,560)
Dye & Durham (UK) Limited	Intercompany balance due from/(to)	44,919
Brady & Co (Law Searchers) Limited	Recharge of corporate services costs	(18,018)
Heat Outdoors Limited	Interest received	47,993
Heat Outdoors Limited	Dividend received	42,000
Brady & Co (Law Searchers) Limited	Intercompany balance due from/(to)	(103,828)
JH VAT Services Limited	Intercompany balance due from/(to)	(182,252)
Eurolife Company Services Limited	Intercompany balance due from/(to)	(32,008)
York Place Company Services Ltd	Intercompany balance due from/(to)	32,457

30 June 2019

Group Company	Type of transaction	Amount £
Formations Direct Limited	Recharge of salary and management fees	1,094,494
Formations direct	Dividends received	250,000
Formations Direct Limited	Intercompany balance due from/(to)	(219,559)
Heat Outdoors Limited	Interest received	50,794
Heat Outdoors Limited	Dividend received	52,000
Heat Outdoors Limited	Loan balance due from	478,000
Brady & Co (Law Searchers) Limited	Recharge of corporate services costs	(17,544)
Brady & Co (Law Searchers) Limited	Dividends received	445,298
Brady & Co (Law Searchers) Limited	Intercompany balance due from/(to)	349,720
JH VAT Services Limited	Intercompany balance due from/(to)	(182,252)
Eurolife Company Services Limited	Intercompany balance due from/(to)	(32,008)
York Place Company Services Ltd	Intercompany balance due from/(to)	32,457

30 June 2018

Group Company	Type of transaction	Amount £
Formations Direct Limited	Intercompany balance due from/(to)	(619,559)
Brady & Co (Law Searchers) Limited	Intercompany balance due from/(to)	432,319
JH VAT Services Limited	Intercompany balance due from/(to)	(182,252)
Heat Outdoors Limited	Interest received	49,956
Heat Outdoors Limited	Dividend received	71,071
Heat Outdoors Limited	Loan balance due from	450,000
Eurolife Company Services Limited	Intercompany balance due from/(to)	(32,008)
York Place Company Services Ltd	Intercompany balance due from/(to)	32,457
Brighton Company Formations Ltd	Intercompany balance due from/(to)	(984)

19. Segment information

The Company's CEO has been identified as the chief operating decision maker ("CODM"). The CODM, reviews financial information, makes decisions and assesses the performance of the Company as a single operating segment.

Segment information attributed to geographic areas based on the primary business location of the customer for the years ended 30 June 2020 and 2019. The physical location of property and equipment was entirely within the United Kingdom:

	United Kingdom	Other	Total
	£	£	£
30 June 2020			
Revenue from contracts with customers	**2,843,565**	**719,430**	**3,562,995**
30 June 2019			
Revenue from contracts with customers	3,006,791	744,457	3,751,248

20. Income taxes

The following table reconciles the current and deferred tax expense at the United Kingdom to the amounts recognized in the statements of income and other comprehensive income for the years ended 30 June 2020 and 2019:

	2020	2019
	£	£
United Kingdom corporation tax at 19.0% (2019: 19.0%)	-	-
Deferred tax	-	2,989
Adjustments in respect of prior year	(587))	-
	(587))	2,989

	2020	2019
	£	£
Based on profit for the year:		
Tax at 19.0% [2019: 19.0%]	**109,785**	49,887
Effect of:		
Expenses not deductible for tax purposes	**572**	487
Deferred tax	**-**	2,989
Adjustments in respect of prior years	**(587)**	-
Differences between capital allowances and depreciation	**6,369**	(3,341)
Unpaid interest to directors	**(109,165)**	31,920
Amortisation of goodwill	**-**	26,632
Dividends received	**(7,980)**	(141,987)
Group relief	**13,446**	42,565
Research & Development	**(13,438)**	(19,763)
Losses carried forward	**-**	(19,763)
Other timing differences	**412**	394
	(587)	2,989

There were no factors identified which affect the future tax charges.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax liabilities at 30 June 2020, 2019 and 2018 are comprised of the following:

	2020	2019	2018
	£	£	£
Deferred tax liability			
Deferred tax liability at July 1	**16,454**	13,465	12,508
Charge for the year	**-**	2,989	957
Deferred tax liability at June 30	**16,454**	16,454	13,465
Capital allowances in excess of depreciation	**16,454**	16,454	13,465
Deferred tax liability at June 30	**16,454**	16,454	13,465

21. Commitments and contingencies

At 30 June 2019 the Company had an outstanding legal dispute against various local authorities for over charged fees between 2005 and 2012. The legal process is now resolved and a final amount of £160,468 was received by the company on August 23, 2019.

22. Supplemental disclosure with respect to cash flows

Changes in non-cash working capital balances	2020	2019
	£	£
Decrease in stock	**2,750**	(1,750)
Decrease in receivables	**317,612**	337,545
Increase / (Decrease) in accounts payable and accrued liabilities	**780,805**	(561,993)
	1,101,167	(226,198)

23. General and administrative expenses

The Company's general and administrative expenses are comprised of the following for the years ended June 30:

	2020	2019
	£	£
Employee costs	**2,039,001**	2,189,007
Other general and administrative expenses	**620,563**	701,755
	2,659,564	2,890,762

Other general and administrative expenses include rent and rates, professional fees, repairs and maintenance, insurance, and travel costs.

24. Operating profit

	2020	2019
	£	£
Operating profit is stated after charging/(crediting):		
Fees payable to the Company's auditors for the audit of the annual financial statements	12,500	12,500
Depreciation	38,347	38,636
Amortisation	134,838	200,171
Exchange loss	5,573	11,166
Research and development expenditure	54,405	80,012

25. Finance costs

The Company's finance costs for the years ended June 30 are as follows:

	2020	2019
	£	£
Interest on Directors' loans	-	168,000
Interest of finance leases	**84,195**	-
	84,195	168,000

26. Other income

The Company's other income for the years ended June 30 are as follows:

	2020	2019
	£	£
Dividends received	**42,000**	747,298
Rental income	-	36,845
Interest on Directors' loans - waived	**574,553**	-
Bank Interest	**1,300**	306
Interest on leased assets	**9,393**	-
Interest income from associate	**47,993**	50,794
	675,239	835,243

27. Staff costs and employees

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	3,047,011	3,268,174
Social security costs	303,699	297,413
Other pension costs	140,709	113,172
	3,491,419	3,678,759

The average number of employees of the Company during the year was:

	2020	2019
	Number	Number
Searchers, office and management	119	131

Remuneration in respect of directors was as follows:

	2019	2019
	£	£
Emoluments for qualifying services	558,513	511,328
Pension contributions to money purchase pension schemes	21,465	22,102
	579,978	533,430

During the year 1 director (2019: 1) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2019	2019
	£	£
Emoluments	164,107	164,107
Pension contributions to money purchase pension schemes	21,168	21,168
	185,275	185,275

Compensation of key management personnel

The Company defined it key management personnel up to 24 June 2020 as Andrew Davis, the Chief Executive Officer ("CEO") and the executive directors, Neil Dolby, David Kaye and Miranda Lyndsay-Fynn.
On 24 June 2020 the company issued 155 shares to Neil Dolby and 155 shares to David Kaye at par following the exercise of EMI share options.

From 25 June, 2020 the Company defined its key management personnel as Tom Durbin St George, Connor McGuire and Neil Dolby. There was no remuneration during this period.

28. Pensions

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £140,709 (2019 - £113,172). Contributions totaling £17,535 (2019 - £15,369) were payable to the fund at the balance sheet date.

29. Ultimate controlling party

Stanley Davis Group Limited is the immediate parent company. Dye and Durham Limited (incorporated in Canada) is the ultimate parent company, by virtue of their 100% holding in Dye & Durham (UK) Limited which in turn owns 100% of the issued share capital of Stanley Davis Group Limited. The registered address of the ultimate parent company is 199 Bay St Suite #4610, Toronto, ON M5L 1E9. This is the only group into which the results of the company are consolidated. A copy of the consolidated financial statements of the group is available at www.dyedurham.com/invest/

30. Events after the balance sheet date

There have been no reportable subsequent events between 30 June 2020 and the date of signing this report.

31. Transition to International Financial Reporting Standards

The Company's accounting policies presented in note 3, Significant Accounting Policies, have been applied in preparing the statements for the year ended 30 June 2020, the comparative information for the year ended 30 June 2019, and the opening statements of financial position as at July 1, 2018, the date of transition to IFRS.

The Company has applied IFRS 1 – First-time Adoption of IFRS in preparing the statements of financial position at1 July 2018. The effects of the transition to IFRS on equity, net income and comprehensive income are presented in this note.

Prior to 1 July 2018, the financial statements were prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ["UK GAAP"].

[a] First-time adoption elections

(i) Mandatory exceptions to retrospective application

In preparing these financial statements in accordance with IFRS, the Company has applied all of the mandatory exceptions to full retrospective application of IFRS required under IFRS 1.

(ii) Elective exemptions

The following elective exemptions to full retrospective application were chosen as permitted under IFRS 1:

a. Property, plant and equipment

The Company has applied the deemed cost exemption to measure all of property, plant and equipment at previous GAAP amounts.

b. Cumulative translation differences

The Company has applied the exemption for cumulative translation differences for all foreign operations to be deemed nil on transition.

[b] Reconciliations of UK GAAP to IFRS

(i) Reconciliation of equity

Total equity at 30 June 30 2020, 30 June 2019, 30 June 2018 and 1 July 2017 under UK GAAP is reconciled below to the amounts reported under IFRS. All amounts are after tax.

	Note	30 Jun 2020 £	30 Jun 2019 £	1 Jul 2018 £
Total equity as reported under UK GAAP		**4,737,828**	4,321,213	4,061,639
Adjustment – goodwill	[a]]	**162,095**	-	-
Total equity as reported under IFRS		**4,899,923**	4,321,213	4,061,639

(ii) Reconciliation of income and comprehensive income

Total net income and comprehensive income for the years ended 30 June 2020 and 2019 under UK GAAP are reconciled below to the amounts reported under IFRS.

	Note	2020 £	2019 £
Net income and comprehensive income as reported under UK GAAP		**578,401**	259,573
Adjustment – goodwill	**[a]**	**(162,095)**	-
Net income and comprehensive income as reported under IFRS		**416,306**	259,573

(iii) Explanatory notes

[a] UK GAAP allows companies to amortize goodwill over its respective useful life whereas goodwill is not amortized under IFRS. Goodwill is tested for impairment on an annual basis.