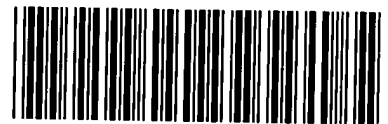


DEFAQTOMEDIA LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

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DEFAQTOMEDIA LIMITED

COMPANY INFORMATION

Directors

S Z H Bilgrami
R P Bijtjes
A C G Brown
G R Hague
N M Stevens
M L Timmins

Company number

3058061

Registered office

Financial Research Centre
Haddenham Business Park
Pegasus Way
Haddenham
Buckinghamshire
HP17 8LJ

Bankers

HSBC Bank Plc
26 Broad Street
Reading
Berkshire
RG1 2BU

Solicitors

Capital Law Limited
Capital Building
Tyndall Street
Cardiff
CF10 4AZ

DEFAQTOMEDIA LIMITED

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DEFAQTOMEDIA LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 31 December 2019.

Principal activities

On 30 March 2015, the active operations of the Company ceased as projections demonstrated that the Company would not generate sufficient cash to be of significant value. Historically, the operations of the Company consisted of the provision of website click throughs to advertisers. Some of the agreements with such advertisers incorporated compensation being paid on a regular basis with no fixed end date, even when the operations of the Company have ceased. As such, some minor revenue and costs have continued to arise since 30 March 2015 although those have ceased as of 31 December 2019 as well.

The group of which the Company is a member was acquired by a new ultimate parent undertaking The SimplyBiz Group plc on 21 March 2019. The Company has aligned its accounting reference date with its ultimate parent undertaking, moving it from 31 July to 31 December.

Directors

The directors, who held office during the period and up to the date of approval of these financial statements were as follows:

S Z H Bilgrami

R P Bijtjes

A C G Brown

G R Hague (appointed 21 March 2019)

N M Stevens (appointed 21 March 2019)

M L Timmins (appointed 21 March 2019)

As permitted by the Articles of Association, the Directors have the benefit of a Directors' and Officers' liability insurance, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. This indemnity, purchased by The SimplyBiz Group plc and applicable to the directors of the Company was in force from 21 March 2019 and is currently in force.

Risk management

The Company works to mitigate the risks faced regarding the recoverability of balances due to it. There are significant balances outstanding from group undertakings. The directors monitor the recoverability of the intercompany balances and the overall group performance on a monthly basis.

Going concern

On the basis of the Company's current financial position, the Directors consider and have concluded that the Company will have adequate resources to continue in existence for the foreseeable future. For these reasons they continue to adopt a going concern basis in the preparation of the financial statements.

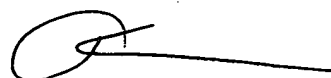
Brexit

The Directors continue to monitor the uncertainties surrounding the UK's withdrawal from the EU, and the potential impacts on the business and its stakeholders, with the largest risk believed to be associated impacts that a financial shock could have on the UK economy. The Directors believe that due to the cessation of trading, risks arising from Brexit are mitigated to a significant degree.

Results and dividends

The results for the period are set out on page 3. The directors do not recommend a final dividend (2018: £nil).

On behalf of the board



A C G Brown

19 October 2020

DEFAQTOMEDIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 DECEMBER 2019

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

DEFAQTOMEDIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019	Year ended 31 July 2018
	Note	£	£
Turnover	2	588	658
Other operating charges		(100)	(89)
Operating profit		<u>488</u>	<u>569</u>
Interest receivable and similar income		-	-
Profit before taxation		<u>488</u>	<u>569</u>
Tax on profit on ordinary activities	4	-	-
Profit for the period		<u>488</u>	<u>569</u>
Total comprehensive income for the period		<u><u>488</u></u>	<u><u>569</u></u>

The operations of the Company ceased on 30 March 2015 such that all operations are discontinued and the statement of comprehensive income has been prepared on the basis that all operations are discontinued.

There are no items to be included in Other Comprehensive Income in the current or preceding year.

The notes on pages 6 to 11 form part of these financial statements.

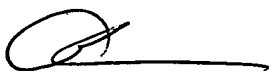
DEFAQTOMEDIA LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		31 December 2019		31 July 2018	
	Note	£	£	£	£
Current assets					
Debtors	5	849,609		850,184	
Cash at bank and in hand		13,650		13,045	
		<u>863,259</u>		<u>863,229</u>	
Creditors: amounts falling due within one year	6	(56,586)		(57,044)	
Net current assets			806,673		806,185
Total assets less current liabilities			<u>806,673</u>		<u>806,185</u>
Called up share capital	7		800,000		800,000
Capital redemption reserve	7		665		665
Retained earnings	7		6,008		5,520
Total equity			<u>806,673</u>		<u>806,185</u>

The financial statements on pages 3 to 11 were approved by the Board of directors and authorised for issue on 19 October 2020 and signed on its behalf by:



A C G Brown
Director

Company Registration No. 3058061

The notes on pages 6 to 11 form part of these financial statements.

DEFAQTOMEDIA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 August 2018	800,000	665	4,951	805,616
Profit for the year	-	-	569	569
Total comprehensive income for the year	-	-	569	569
Balance at 31 July 2019	800,000	665	5,520	806,185
Profit for the period	-	-	488	488
Total comprehensive income for the period	-	-	488	488
Balance at 31 December 2019	800,000	665	6,008	806,673

The notes on pages 6 to 11 form part of these financial statements.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

DefaqtoMedia Limited is a private company limited by shares, domiciled and incorporated in England. The registered office and principal place of business is Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Buckinghamshire, HP17 8LJ.

The Company's principal activities and the nature of the Company's operations are described in the Directors' Report on page 1.

1.1 Accounting convention

First time adoption of FRS 101

These financial statements are prepared under the historical cost convention and are the first financial statements of DefaqtoMedia Limited prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland ("FRS 101"). The financial statements of DefaqtoMedia Limited for the year ended 31 July 2018 were prepared in accordance with Financial Reporting Standard 102 ("FRS 102").

Some of the FRS 101 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from those under FRS 102. Consequently, the directors have amended certain accounting policies to comply with FRS 101 although none have any effect upon retained earnings, Statement of Comprehensive Income or the Statement of Financial Position.

Monetary amounts in these financial statements are rounded to the nearest £1 except where otherwise indicated.

The period presented in these financial statements is the 17 months to 31 December 2019. As such, the periods presented in these financial statements are not entirely comparable. A long period has been presented in order to align the year end of all companies within the group of companies including the ultimate parent company The SimplyBiz Group plc and all of its subsidiaries.

The financial statements of the Company are consolidated in the financial statements of The Simplybiz Group plc and these consolidated financial statements are available from St. Andrew's House, St. Andrew's Road, Huddersfield, HD1 6NA.

Reduced disclosures

In accordance with FRS 101, the Company has taken advantage of the exemptions available to qualifying entities from the following disclosure requirements:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. However, the directors have elected to cease trading as projections prepared by them demonstrate that the Company will not generate sufficient cash to be of significant value. Nevertheless, the Company does have the ability to meet its liabilities as they fall due for payment for the foreseeable future and as such the going concern basis of preparation is appropriate. In making this assessment, the directors have considered a period of at least 12 months from the date of authorising these financial statements. The directors acknowledge that there can be no certainty over future events, although at the date of approval of these financial statements, they have no reason to believe that the Company will not perform as expected.

1.3 Turnover

Turnover is the amount derived from the provision of services falling within the Company's ordinary activities and is stated net of Value Added Tax. Consideration received in advance of performance is recognised as deferred income. When performance occurs, the deferred income is released and simultaneously reported as turnover. Where reasonably estimated, consideration received in arrears is recognised as accrued income upon performance and simultaneously reported as turnover, with the accrued income being released when invoicing occurs. Where estimates cannot reasonably be made, consideration is recognised as revenue upon receipt.

1.4 Related party disclosures

As the Company is a wholly owned subsidiary within the group headed by The Simplybiz Group plc, the Company has taken advantage of the exemption to not disclose transactions or balances with wholly owned entities which form part of the group.

1.5 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any impairment.

Amounts due from group undertakings are measured at the transaction price, less any impairment.

1.6 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade creditors and amounts due to group undertakings

Trade creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

1.7 Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.8 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is the impairment of debtors where the Company makes an estimate of the recoverable amount of amounts due from fellow group undertakings, predominantly through considering the viability of the group entities from which monies are owed.

Critical areas of judgement

The directors do not consider that there are any critical areas of judgement that need to be brought to the attention of the readers of the accounts.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Turnover

The Company's entire turnover is derived from its activities in the United Kingdom. Such activities solely relate to the provision of a web-portal to financial product providers in the United Kingdom for the marketing of their products and the Company generated its revenue based upon the consumer traffic provided to such providers.

3 Employees and directors' remuneration

The Company had no employees during the period (2018: nil), instead utilising resources provided by a group undertaking. Directors are remunerated by Defaqto Group Limited.

No recharges are made to the Company for these resources due to the insignificant quantum involved.

4 Taxation

	Period ended 31 December 2019	Year ended 31 July 2018
	£	£
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-

The charge for the period can be reconciled to the profit/(loss) per the statement of comprehensive income as follows:

	Period ended 31 December 2019	Year ended 31 July 2018
	£	£
Profit before taxation	488	569
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19%	93	108
Previously unrecognised capital allowances utilised in period/year	(2,266)	(2,056)
Group relief surrendered	2,173	1,948
Tax charge for the period/year	-	-

The Company has an unrecognised deferred tax asset of £6,355, relating to the difference between accumulated depreciation and capital allowances (2018: £8,382). This deferred tax asset has not been recognised as a result of uncertainty over the timing of future profitability.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

5 Debtors

	31 December 2019	31 July 2018
	£	£
Amounts due from fellow group undertakings	849,609	850,184
	<u>849,609</u>	<u>850,184</u>

6 Creditors: amounts falling due within one year

	31 December 2019	31 July 2018
	£	£
Amounts due to fellow group undertakings	56,586	57,015
Other creditors	-	29
	<u>56,586</u>	<u>57,044</u>

Amounts due to fellow group undertakings are repayable on demand and do not attract interest.

7 Share capital

	31 December £	31 July 2018 £
Ordinary share capital		
Issued and fully paid		
8,000,000 Ordinary Shares of 10p each	<u>800,000</u>	<u>800,000</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Retained earnings

Cumulative profit and loss, net of distribution to owners.

DEFAQTOMEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Controlling party

The directors consider the ultimate parent undertaking and controlling party to be The Simplybiz Group plc (formerly the SimplyBiz Group Limited). The immediate parent company is Defaqto Group Limited, a company incorporated in the United Kingdom.

The Simplybiz Group plc is the parent company of the smallest and largest group for which consolidated accounts including DefaqtoMedia Limited are prepared. The consolidated accounts of this company are available to the public and may be obtained from:

St. Andrew's House
St. Andrew's Road
Huddersfield
HD1 6NA

9 Contingent liabilities

The Company is registered with HMRC as a member of a group for VAT purposes, and as a result is jointly and severally liable on a continuing basis for amounts owing by any other members of that group in respect of unpaid VAT. At the reporting date, the outstanding VAT balance of the other group companies in the VAT group, of which the Company is a member, was a payable amount of £290,778 (2018: £173,850).