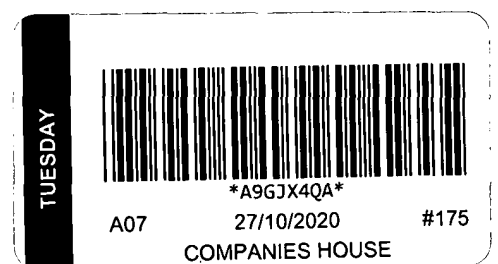


**Financial Intermediary and Broker Association
Limited**

**Directors' report and financial
statements**

Registered number 07372027

31 December 2019



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent Auditor's report to the members of Financial Intermediary and Broker Association Limited	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Company information

Directors	DA Golder NM Stevens
Registered office	St. Andrews House St. Andrews Road Huddersfield HD1 6NA
Registered number	07372027 (England and Wales)
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

Directors' report

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

Principal activities and review of business

The principal activity of the company in the period under review was as a trade association. The results for the period are summarised on page 7.

Directors

The directors who held office during the period and up to the signing of this report were as follows.

DA Golder
SC Turvey (resigned 30 April 2019)
NM Stevens

Dividends

No dividends were paid during the period (2018: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Future Developments

The Company expects trading to remaining materially consistent for the foreseeable future, with an objective of growing revenues to reduce the losses to at least a break even position.

Principal risks and uncertainties

The Directors review and where possible mitigate known business risks. The principal risks of the Group are detailed in the financial statements of The SimplyBiz Group plc (formerly The SimplyBiz Group Limited). The directors do not believe that there are any significant risks and uncertainties associated with this company.

Actions taken to ensure that the business is well positioned to fully support the requirements of its customers and colleagues during the Covid 19 pandemic have been successful. The business has continued to provide all services to its customers during the lockdown period and employees were able to work from remote locations immediately, avoiding any material impact to trading.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors manage the Company alongside the other companies within the group, with group banking facilities in place of £45m until March 2024. The Group Directors have prepared cash flow forecasts for the Group for the period to December 2021 which indicate that, taking account of severe but plausible downside scenarios, the Group, including this Company, will have sufficient funds through the Group's combined banking facilities to meet its liabilities as they fall due for that period.

The SimplyBiz Group plc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due until at least December 2021 and therefore have prepared the financial statements on a going concern basis.

Directors' report (continued)

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 the Company's diversified and solely UK revenue streams, together with regular monitoring of the financial markets, provide some degree of mitigation.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

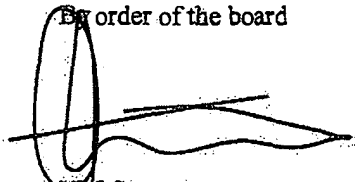
Directors' indemnities

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 throughout the last financial year and is currently in force.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



NMI Stevens
Director

St. Andrews House
St, Andrews Road
Huddersfield
HD1 6NA

22 October 2020

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent Auditor's report to the members of Financial Intermediary and Broker Association Limited

Opinion

We have audited the financial statements of Financial Intermediary and Broker Association Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Claire Needham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
West Yorkshire
LS1 4DA
22 October 2020

Profit and loss account and other comprehensive income

for the period ended 31 December 2019

	<i>Note</i>	31 December 2019	31 December 2018
		£	£
Turnover		109,821	106,723
Administrative expenses		(172,540)	(364,273)
Operating loss and loss on ordinary activities before taxation	3-4	(62,719)	(257,550)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period		(62,719)	(257,550)

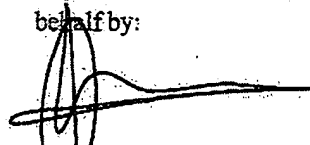
There are no items to be included in Other Comprehensive Income in the current or preceding period.

The notes on pages 10 to 18 form part of these financial statements.

Balance sheet
 at 31 December 2019

	Note	31 December 2019		31 December 2018	
		£	£	£	£
Fixed assets					
Tangible assets	6				
Current assets					
Debtors	7	49,450		66,262	
Cash at bank and in hand		38,749		47,084	
		88,199		113,346	
Creditors: amounts falling due within one year	8	(426,839)		(389,267)	
Net current liabilities			(338,640)		(275,921)
Net liabilities			(338,640)		(275,921)
Capital and reserves					
Profit and loss account			(338,640)		(275,921)
Shareholders' deficit			(338,640)		(275,921)

These financial statements were approved by the board of directors on 22 October 2020 and were signed on its behalf by:


 NM Stevens
 Director

Registered no: 07372027

The notes on pages 10 to 18 form part of these financial statements.

Statement of changes in equity

at 31 December 2019

	Profit and loss account £	Total equity £
Balance at 1 January 2018	(18,371)	(18,371)
Total comprehensive income for the period		
Loss for the period	(257,550)	(257,550)
Total comprehensive income for the period	(257,550)	(257,550)
Transactions with owners, recorded directly in equity		
Dividends	-	-
Total contributions by and distributions to owners	-	-
Balance at 31 December 2018	(275,921)	(275,921)
Balance at 1 January 2019	(275,921)	(275,921)
Total comprehensive income for the period		
Loss for the period	(62,719)	(62,719)
Total comprehensive income for the period	(62,719)	(62,719)
Transactions with owners, recorded directly in equity		
Dividends	-	-
Total contributions by and distributions to owners	-	-
Balance at 31 December 2019	(338,640)	(338,640)

The notes on pages 10 to 18 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Financial Intermediary and Broker Association Limited (the "Company", formerly Association of Bridging Professionals Limited) is a company limited by guarantee and incorporated and domiciled in the UK. The address of its registered office is St. Andrews House, St. Andrews Road, Huddersfield, HD1 6NA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland ("FRS 101"). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, The SimplyBiz Group plc (formerly The SimplyBiz Group Limited) includes the Company in its consolidated financial statements. The consolidated financial statements of The SimplyBiz Group plc are available to the public and may be obtained from St. Andrews House, St. Andrews Road, Huddersfield, HD1 6NA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- 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*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Change in accounting policy

The Company has adopted the following IFRSs in these financial statements:

- IFRS 16: Leases. This has been adopted using the modified retrospective method and as a result the comparatives have not been restated and are reported under IAS 17.

1.3 Going concern

Notwithstanding net current liabilities of £338,640 as at 31 December 2019 and a loss for the year then ended of £62,719 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors manage the Company alongside the other companies within the group, with group banking facilities in place of £45m until March 2024, of which £45m is drawn as of 30 June, 2020. The Group Directors have prepared cash flow forecasts for the Group for the period to December 2021 which indicate that, taking account of severe but plausible downside scenarios, the Group, including this Company will have sufficient funds, through the Group's combined banking facilities to meet its liabilities as they fall due for that period.

The cash flow forecasts include the impact of the recent global outbreak of Covid-19, which has led to a net 1% drop of revenue in the first half of the year across the Group. Various sensitivity analyses have been performed to assess the impact of more severe but plausible downside scenarios to future trading including a 10% reduction in revenue streams for the second half of 2020, with the exception of a 50% reduction in revenue for the second half of 2020 linked to the housing market. Furthermore, the severe but plausible downside scenarios model a continued decrease of 10% in revenue, with the exception of a 50% decrease in housing market linked revenue, through December 2021.

Notes (continued)

1 Accounting policies (continued)

1.3 Going concern (continued)

These scenarios do not include any potential cost mitigating action plans. Under these severe but plausible downside scenarios the Group continues to operate within its available facilities and does not incur any covenant breaches. The position of the company is dependent on The SimplyBiz Group plc not seeking repayment of the amounts currently due to other entities within the group, which at 31 December 2019 amounted to £352,887. The SimplyBiz Group plc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due until at least December 2021 and therefore have prepared the financial statements on a going concern basis.

1.4 Critical accounting estimates

The Company makes estimates and assumptions regarding the future. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or to the financial statements in general within the next financial period are discussed below:

- Impairment of trade receivables - The Company makes an estimate of the recoverable value of trade and other debtors. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprise balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

1.5 Classification of financial instruments issued by the Company

In accordance with FRS 101, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

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

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares:

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other receivables.

Notes (continued)

1 Accounting policies (continued)

1.6 Non-derivative financial instruments (continued)

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised at fair value, minus expected future losses. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprise balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

Trade and other payables

Trade and other payables are recognised at fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Amounts owed by / to Group Undertakings

Amounts owed by / to group undertakings are classified as current assets / liabilities, unless specific payment terms are in place.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- fixtures and fittings: 25% writing down allowance

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

Notes (continued)

1 Accounting policies (continued)

1.8 Leases (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. However, for the leases of class of underlying asset, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', current lease liabilities in "creditors: amounts falling due within one year" and non-current lease liabilities as a separate line item in the statement of financial position.

Notes (continued)

1 Accounting policies (continued)

1.8 Leases (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.9 Revenue recognition

Revenue is recognised by reference to the five-step model set out in IFRS 15. Revenue is recognised when an entity transfers goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the good or service is transferred to the customer.

The following specific recognition criteria must also be met before revenue is recognised:

Membership fees

The Group's membership is a subscription model, with income recognised monthly, on an over time basis, in line with the access to services (output method). Where the membership fee includes specific performance obligations, such as regulatory visits, a proportion of the revenue, based on the standard price of such services when sold separately, is recognised when the specific service is delivered.

1.10 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

1.11 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences relating to differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met have not been recognised. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Changes in significant accounting policies

The Company has applied IFRS 16 using the modified retrospective with cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under IAS 17. The disclosure requirements in IFRS 16 have not been applied to comparative information. The details of the changes and quantitative impact are set out below.

Definition of a lease

Previously the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 1. On transition to IFRS 16, the Company elected to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Only finance leases were then recognised on the balance sheet.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

On transition, for operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019.

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular these were:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

There is no quantitative impact of adopting IFRS 16 as the Company was not party to any leases as at 31 December 2018.

Notes (continued)

3 Expenses and auditors' remuneration

The company's activities consist solely of the Company's principal activity in the UK.

Auditors remuneration of £2,250 (2018: £2,250) is borne by a fellow group company.

4 Staff numbers and costs

All staff costs, including directors' costs, are paid by the parent company and recharged to the company via management charges. No specific amount has been recharged with respect due to the directors' costs (2018: £nil) due to their involvement in a large number of other entities across the Group.

5 Taxation

Total tax charge recognised in the profit and loss account

	31 December 2019 £	31 December 2018 £
Current tax		
Current tax on income for the period	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge	-	-

Reconciliation of effective tax rate

	Year ended 31 December 2019 £	Year ended 31 December 2018
Loss for the period	(62,719)	(257,550)
Total tax charge	-	-
Loss before taxation	(62,719)	(257,550)
Tax using the UK corporation tax rate of 19% (2018: 19%)	(11,917)	(48,935)
Effects of:		
Deferred tax asset not recognised (note 9)	11,917	48,935
Total tax charge included in the profit or loss	-	-

Notes (continued)

5 Taxation

Changes affecting the future tax charge

Reductions in the UK corporation tax rate from 19 %to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

Deferred tax assets are not recognised due to the uncertainty over their future recoverability.

6 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At 31 December 2018 and 31 December 2019	2,640
<i>Depreciation</i>	
At 31 December 2018 and 31 December 2019	2,640
<i>Net book value</i>	
At 31 December 2019	-
At 31 December 2018	-

7 Debtors: amounts falling due within one year

	31 December 2019 £	31 December 2018 £
Trade Debtors	49,450	54,850
Social security and other taxes	-	11,412
	<u>49,450</u>	<u>66,262</u>

Notes (continued)

8 Creditors: amounts falling due within one year

	31 December 2019 £	31 December 2018 £
Trade creditors	1,219	1,199
Amounts owed to group undertakings	352,887	340,974
Accruals	2,735	10,694
Deferred income	66,346	36,400
Social security and other taxes	3,652	-
	<u>426,839</u>	<u>389,267</u>

Amounts owed to group companies are repayable on demand and do not attract interest.

9 Deferred tax

Deferred tax assets are attributable to the following:

	31 December 2019 £	31 December 2018 £
Losses	60,851	48,935
Tax asset	<u>60,851</u>	<u>48,935</u>

The above deferred tax asset is not recognised due to uncertainty over their future recoverability.

10 Related party disclosures

The company has taken advantage of the exemption within FRS 101 and therefore not disclosed details of transactions with fellow companies within the group headed by The SimplyBiz Group plc.

11 Ultimate parent company and controlling party

The company's immediate parent undertaking is Professional Finance Broking Limited.

The company's ultimate parent undertaking is The SimplyBiz Group plc. These are the only consolidated set of financial statements which include the results of the company and are available from the company's registered office.

In the opinion of the directors, the ultimate controlling party is The SimplyBiz Group plc (formerly The SimplyBiz Group Limited).