REGISTERED NUMBER: 03379665 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

FOR

HOV GLOBAL SERVICES LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

HOV GLOBAL SERVICES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:	V Robu J Chhaya
REGISTERED OFFICE:	10 Pond Wood Close Northampton NN3 6DF
REGISTERED NUMBER:	03379665 (England and Wales)
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

HOV Global Services Limited is a wholly owned subsidiary of Dataforce Interact Holdings Limited and is principally engaged in providing specialised outsourced services in motor and healthcare insurance claims handling, including:

(i) First Notification of Loss;

(ii) Third Party capture - motor;

(iii) Supplier deployment and vehicle repair management;

(iv) Investigation, assessment, negotiation and settlement;

(v) Recoveries; and

(vi) Software solutions.

The Company and group wide strategy is to create a business that is recognised for producing innovative and integrated solutions to the insurance sector.

These objectives can be achieved through:

a) fostering long term relationships with our clients through the provision of proactive, innovative solutions to support their primary business activities;

b) further development of our bespoke in house software systems to ensure they continue to provide our clients with significant savings; and

c) increasing the value that our clients create from their customers through our use of data analytics integrated with operational delivery.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

REVIEW OF BUSINESS
The current economic environment continues to be challenging and, as a result, cost and margin control are of paramount importance to both the Company and its clients. With a clear focus around delivering and then measuring the return on investment, both within the business and on behalf of its clients, we believe we are well placed to sustain in these challenging times.

Although a number of initiatives aimed at reducing overheads and improving operating margins were put in place, there are a number of factors which haven't helped us to record a Profit. The vast majority of the corporate payroll costs are supported by HOV Global Services Limited. These corporate functions are servicing both operational companies GSL and DIL.

In addition to offering Claims Management services, the Company is also offering standalone software solutions to the motor insurance industry. This is a unique proposition for the sector as it allows clients and potential clients the ability to select where different parts of the process are carried out, to maximise cost reduction, expertise and quality. As pressure increases on operating ratios within the sector, this solution becomes more attractive.

Covid-19

The pandemic has not impacted the revenue from the existing projects and customers, There has not been any impact on the supply of services and goods. Employees have been working remotely since the start of this pandemic and there is no impact on delivery of services. The company has availed of the benefits available during this pandemic as per the guidelines from HMRC in the form of furlough of some employees, deferment of payroll taxes and VAT.

The company has taken all measures required by the UK Government for the safety of employees, property and customers.

RESULTS AND DIVIDENDS

The loss for the year to 31 December 2019, amounted to -£1,210,947 (2018: -£797,068). The Directors do not recommend a final dividend.

PRINCIPAL RISKS AND UNCERTAINTIES
RISKS AND UNCERTAINTIES

Market Risks

The Company continues to operate in a competitive market with constant pressure on margins. This risk is managed by continuing efforts to improve efficiency and reduce costs. The Company is dependent on relationships with key customers. The Company generally does not have long-term agreements with some of these customers. A number of contracts are due to be renewed on a short to medium term basis and there is a limited exposure to the potential loss of business at the time of each renewal. If any of the top customers significantly reduces the amount of business they place with the Company, the revenue and operating results could be adversely affected.

Competition

The Company operates in a competitive market. If the Company does not continue to compete effectively by continuing to provide a high quality service the Company could lose clients and in consequence operating profits could be adversely affected. The Board has a number of initiatives to improve productivity. These initiatives focus on identifying more efficient ways of working either through process improvements or technological enhancements.

The business of the Company may be vulnerable to new competitors, increased price competition and declining levels of contract renewals. Any of these factors could adversely affect the business and prospects of the Company.

The Company monitors the performance of the business through detailed monthly operational and financial reporting, with comparison to budgets and updated forecasts being routinely made. In addition the Group maintains regular reviews and dialogue with the management of each of the Group's businesses.

Outlook

The outlook for the Company in 2020 is positive, in the last 18 months the Company has been trying to reduce overheads and improve its operating margins. The management teams are bedded in and making positive contributions in each area of our business.

However as with all businesses, the uncertainty in the economic environment has the potential to impact any management plan. The Company's performance is closely linked to the activity levels of its clients but with a wide and numerous client base, the Directors believe the Company is well placed to weather the economic conditions within reasonable boundaries.

Employees

The Company is an equal opportunities employer and bases decisions on individual ability regardless of race, religion, gender, age or disability. Consultation and communication with employees remains an important focal point and is carried out via a variety of methods including employee forums, usage of the intranet, emails and team briefings. Over the year, the Company has invested in management development and succession planning to ensure retention and development of key individuals and to further progress the opportunities for the future. Biannual appraisals are undertaken to ensure employees know how they are performing and how performance can be improved. All Company activities support the regulatory environment in which it operates, including treating the customer fairly.

Cashflow

The Company monitors cash flow as a part of its normal activities. Cash positions are monitored daily and forecasts are discussed with the Board on a monthly basis to ensure that sufficient resources are available to support business growth.

ECONOMIC DOWNTURN AND GOING CONCERN

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Company monitors client activity forecasts on a monthly basis and therefore has strong visibility of forward revenues for a 3 to 6 month period. As a result, the Board is able to react within sufficient time to reset the cost base appropriately. The Group monitors the performance of each of its businesses through detailed monthly operational and financial reporting, with comparisons to budgets and updated forecasts being routinely made. In addition the Group maintains regular reviews and dialogue with the management of each of the Group's businesses.

At board level, the most important key performance measures are:

- underlying operating profit, calculated on continuing operations excluding exceptional items and one off charges; and
- gross margin, calculated on gross profit as a percentage of revenue.

As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries to the Group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis, in preparing this annual report and financial statements.

ON BEHALF OF THE BOARD:

V Robu - Director

21 December 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

DIRECTORS
V Robu has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

J G Reynolds - resigned 25 November 2019
J Chhaya - appointed 25 November 2019

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

V Robu - Director

21 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HOV GLOBAL SERVICES LIMITED

Opinion
We have audited the financial statements of HOV Global Services Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. **The impact of uncertainties** due to the COVID19 pandemic on our audit
Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 is one of the most significant public health, social and economic event and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

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.

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, including the impact of COVID-19, 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 continues in operation.

Emphasis of matter - Going Concern
Material uncertainty related to the entity's ability to operate as a going concern exists. However, the ultimate parent company has provided assurances that it would continue to support the entity as a going concern and meet its liabilities as they fall due as stated in "Going concern policy (note 2) of the financial statements. The audit opinion is not modified in respect of this matter.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page six, 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 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.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

21 December 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
TURNOVER	3	289,515	411,945
Cost of sales		1,189,721	914,113
GROSS LOSS		(900,206)	(502,168)
Administrative expenses		193,210	177,763
OPERATING LOSS	6	(1,093,416)	(679,931)
Interest payable and similar expenses	8	117,531	117,137
LOSS BEFORE TAXATION		(1,210,947)	(797,068)
Tax on loss	9	-	-
LOSS FOR THE FINANCIAL YEAR		(1,210,947)	(797,068)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,210,947)	(797,068)

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		31,811		63,622
Tangible assets	11		81		5,519
			31,892		69,141
CURRENT ASSETS					
Debtors	12	2,263,732		1,637,958	
Cash at bank		15,069		1,772	
		2,278,801		1,639,730	
CREDITORS					
Amounts falling due within one year	13	298,851		359,160	
NET CURRENT ASSETS			1,979,950		1,280,570
TOTAL ASSETS LESS CURRENT LIABILITIES			2,011,842		1,349,711
CREDITORS					
Amounts falling due after more than one year	14		6,483,204		4,610,126
NET LIABILITIES			(4,471,362)		(3,260,415)
CAPITAL AND RESERVES					
Called up share capital	16		2,467,121		2,467,121
Retained earnings	17		(6,938,483)		(5,727,536)
SHAREHOLDERS' FUNDS			(4,471,362)		(3,260,415)

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 21 December 2020 and were signed on its behalf by:

V Robu - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	2,467,121	(4,930,468)	(2,463,347)
Changes in equity			
Total comprehensive income	-	(797,068)	(797,068)
Balance at 31 December 2018	2,467,121	(5,727,536)	(3,260,415)
Changes in equity			
Total comprehensive income	-	(1,210,947)	(1,210,947)
Balance at 31 December 2019	2,467,121	(6,938,483)	(4,471,362)

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		£	£
Cash flows from operating activities			
Cash generated from operations	1	130,828	111,887
Interest paid		(117,531)	(117,137)
Net cash from operating activities		13,297	(5,250)
Increase/(decrease) in cash and cash equivalents		13,297	(5,250)
Cash and cash equivalents at beginning of year	2	1,772	7,022
Cash and cash equivalents at end of year	2	15,069	1,772

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Loss before taxation	(1,210,947)	(797,068)
Depreciation charges	37,250	72,047
Group balance	1,141,217	782,648
Finance costs	117,531	117,137
	85,051	174,764
Decrease in trade and other debtors	106,086	12,106
Decrease in trade and other creditors	(60,309)	(74,983)
Cash generated from operations	130,828	111,887

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	15,069	1,772

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	1,772	7,022

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank	1,772	13,297	15,069
	1,772	13,297	15,069
Total	1,772	13,297	15,069

The notes form part of these financial statements

1. STATUTORY INFORMATION

HOV Global Services Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a consistent basis in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies is set out below.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised over the period of each contract on a time apportionment basis, having regard, where appropriate, to the activity levels required by the contractual terms. Turnover relates solely to services provided to clients during the period and is stated net of value added tax. No credit is taken to the profit and loss account in respect of receipts for services to be rendered in subsequent accounting periods. Amounts received for this are credits to deferred income.

Goodwill
Goodwill represents the excess of cost of acquisition over the fair value of the separate net assets of the businesses acquired. Goodwill is amortised on a straight line basis over 20 years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Computer equipment & software 3 - 5 years

Office equipment, fixtures & fittings 5 years

Assets in course of construction 4 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

continued...

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Pension costs in respect of defined contribution pension schemes are charged to the profit and loss account in the period to which they relate.

Going concern
The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Company Directors having made appropriate enquiries consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and with the continued support of the company's shareholder, the company will be able to meet its liabilities as they fall due for payment.

The directors have received confirmation from the ultimate parent company that they will continue to enable the company to meet its liabilities as they fall due. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

Since the financial year end, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors.No provisions have been made in the financial statements.

Operating leases
Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into the replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the Director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

continued...

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Motor claims handling services	14,890	30,047
Healthcare & Nursing services	274,625	381,898
	289,515	411,945

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	768,934	722,003
Social security costs	90,518	68,778
Other pension costs	35,081	14,788
	894,533	805,569

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

	2019	2018
Operations	7	10
Administration & management	3	3
	10	13

5. DIRECTORS' EMOLUMENTS

The directors emoluments for the year is £338,995 (2018 : £231,425).

6. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
	£	£
Hire of plant and machinery	1,932	-
Depreciation - owned assets	5,438	8,425
Goodwill amortisation	31,811	63,622

7. AUDITORS' REMUNERATION

The auditors remuneration of £15,380 (2018: £15,400) includes fees of £800 (2018: 800) for non audit services.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest payable	117,531	117,137

continued...

9. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	(1,210,947)	(797,068)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(230,080)	(151,443)
Effects of:		
Depreciation in excess of capital allowances	(243,487)	(46,770)
Losses carried forward	473,567	198,213
Total tax charge	-	-

Factors affecting tax for the year

A potential deferred tax asset of £1,432,359 (2018: £1,404,607) has not been recognised as there is insufficient evidence that the asset will be recoverable.

10. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 January 2019 and 31 December 2019	240,063
AMORTISATION	
At 1 January 2019	176,441
Amortisation for year	31,811
At 31 December 2019	208,252
NET BOOK VALUE	
At 31 December 2019	31,811
At 31 December 2018	63,622

continued...

11. TANGIBLE FIXED ASSETS

	Computer equipment & software	Office equipment, fixture & fittings	Assets in course of constructions	Totals
	£	£	£	£
COST				
At 1 January 2019				
and 31 December 2019	1,023,732	109,744	14,946	1,148,422
DEPRECIATION				
At 1 January 2019	1,023,570	109,744	9,589	1,142,903
Charge for year	81	-	5,357	5,438
At 31 December 2019	1,023,651	109,744	14,946	1,148,341
NET BOOK VALUE				
At 31 December 2019	81	-	-	81
At 31 December 2018	162	-	5,357	5,519

12. DEBTORS

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	25,492	60,638
Other debtors	60,068	128,856
Prepayments and accrued income	3,274	5,426
	88,834	194,920
Amounts falling due after more than one year:		
Amounts owed by group undertakings	2,174,898	1,443,038
Aggregate amounts	2,263,732	1,637,958

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	26,343	54,086
Social security and other taxes	21,742	45,243
VAT	48,157	53,728
Other creditors	144,002	126,672
Pension	1,986	1,422
Accruals and deferred income	56,621	78,009
	298,851	359,160

continued...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	6,483,204	4,610,126

Amounts owed to group undertakings is made up of the principal outstanding on a revolving debt facility with a group company, DFG2 LLC of £857,746 (2018: £875,075) which is reassigned from RC GPM LLC (subsidiary of Rustic Canyon LLC) to DFG2, LLC as on 1 December 2012. The loan is repayable on demand and has an interest rate of 12%. The interest payable in respect of this loan charged to profit and loss account is £115,528..

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	20,872	20,770
Between one and five years	5,223	5,224
	26,095	25,994

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
2,467,121	Ordinary shares	£1	2,467,121	2,467,121

17. RESERVES

	Retained earnings £
At 1 January 2019	(5,727,536)
Deficit for the year	(1,210,947)
At 31 December 2019	(6,938,483)

18. OTHER FINANCIAL COMMITMENTS

There is a fixed and floating charge over the undertaking and all property and assets and future in relation to all money due from HOV Global Services Limited, held by DFG2 LLC.

The company has following charges relating to the rent deposits:

11/12/2009 The Mayor and Commonality and Citizens of the City of London £3,527.

25/01/2011 Lucas Industries Limited £55,634.

18/07/2006 Lucas Industries Limited £87,599.

The above deposits may be subject to dilapidation adjustments if any, which cannot be quantified at this stage.

continued...

19. IMMEDIATE AND ULTIMATE HOLDING UNDERTAKINGS

The Company's immediate parent is Dataforce Interact Holdings Limited whose parent is DFG UK LLC, a company registered in the USA.

The ultimate parent undertaking with effect from 1 December 2013 is DFG2 LLC, a company incorporated in the USA. Prior to 1 December 2012 Rustic Canyon LLC was the ultimate parent of the Company.

A copy of the consolidated accounts can be obtained at 8550 W Desert Inn RD STE, 102-452, Las Vegas, NV 89117-2119, USA.