

Company Registration No. 06802155 (England and Wales)

CAPFFINITY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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CAPPFINITY LIMITED

COMPANY INFORMATION

Directors P A Linley
B S Jackson
N J Garcea
P S Clark
P Campbell
M Wells (Appointed 15 April 2020)

Company number 06802155

Registered office 2230 - 2235 Regents Court
The Crescent
Birmingham Business Park
Birmingham
B37 7YE

Auditor Spencer Gardner Dickins Audit LLP
3 Coventry Innovation Village
Cheetah Road
Coventry
CV1 2TL

CAPFFINITY LIMITED

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CAPFFINITY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

FY 2020 was a challenging year for Cappfinity Limited, as it was for almost every company, due to the global coronavirus pandemic. Notwithstanding this, the group concluded the year with revenue of £10.53m (up 4%) and an operating loss (following further significant planned investment) of £920k (a reduction in loss of 70% year on year).

Talent Technology Platform

Throughout FY 2020 we continued our focus on the build of our talent technology platform, including specifically the launch of InPerspective, a new strengths-based multi-rater assessment platform that is unique in the market. Further, as a response to the pandemic, we also scoped and delivered, within 8 weeks, a Virtual Assessment Centre proposition that was used to support a wide range of clients to deliver assessment centre activity virtually, while businesses were operating under lockdown or social distancing regulations.

Principal risks and uncertainties

The principal risks and uncertainties faced by the group at the end of 2020 are as follows:

- The coronavirus pandemic and its associated lockdowns continue to have broad economic impact. While there is a visible route map out of lockdown through the vaccination programme, there are still unknowns and uncertainties that inevitably create risk in the future outlook for all companies, including Cappfinity.
- A major information security breach or technology issue is one of our greatest risks, which is managed through appropriate information security protocols including our compliance with ISO 27001. We are also exploring the implementation of SOC2 to further strengthen in this area.
- Ensuring the successful deployment of growth capital to ensure that we deliver business growth and sustainable increases in enterprise value continues to be a key risk that we are now managing following the EGP investment. This is particularly the case as we adapt to being loss-making in the short-term but work towards a medium- to long-term path to sustainable profitability.
- Ensuring the successful delivery and commercial realisation of the talent technology platform as our major strategic initiative for the future, and the focus of our growth equity investment.
- Managing our investment rates in Australia and the United States, as we navigate the growth of these international divisions through their early stages.
- The change of our business model to focus more on technology licences will have an impact on short-term revenue recognition but will ultimately benefit longer term revenue growth and enterprise value.

Coronavirus (COVID-19) Impact

As with all companies, Cappfinity was impacted by the economic impact of lockdowns related to the coronavirus pandemic, and the associated drop in business activity. Nonetheless, Cappfinity is very well equipped for our teams to be able to work remotely from home, and we were able to make this transition without any disruption to our business delivery. Further, our business delivery models are predominantly online and virtual, so our business activity, while flexing to accommodate changing client requirements, has continued to operate despite the various lockdowns in the UK and elsewhere in the world.

With offices and operations in the UK, US, Ireland, and Australia, we have seen the global impact and the global response to the pandemic. This has allowed us to take lessons from one market or territory and use these insights to help us forecast and predict for other territories, providing valuable planning input. On this basis, we have managed to stay relatively ahead of changing circumstances.

CAPFFINITY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators

The group operates a regular review of its KPI's to track the performance of the business against plan and this is reported to the Board on a monthly basis. Key KPI's include the level of bookings delivered, revenue growth, EBIT, and cash position against plan. As noted above despite the impact of the coronavirus pandemic Cappfinity delivered a solid performance in 2020:

- Total bookings were £11.2m a reduction of 9% on 2019 but with an acceleration of bookings seen in the second half of the year and a positive outlook for 2021.
- Revenue grew by 4% to £10.53m due to strong delivery of customer projects.
- Cost control reduced the operating loss to £920k, a reduction of 70%.
- An increase in cash to £10.9m (from £9.7m) as a result of improved billing and customer collections .

FY 2021 Outlook

We start FY 2021 with a healthy cash position of £10.9m which underpins our growth plans and investment for the coming year, as well as providing a contingency against the principal risks and uncertainties noted above.

Strong bookings in Q4 2020 should flow through into improved revenue performance in the early part of 2021. We have an improving pipeline of opportunities both within our customer base and with potential new customers, as our major markets start to emerge from lockdown and the broader impact of the pandemic. However, as noted above, some level of uncertainty remains for 2021.

We continue executing against our delivery roadmap for the talent technology platform. Execution against this will be critical for our success in FY 2021 and subsequent years, given the shift to technology subscriptions for the talent technology platform that we are driving towards.

On behalf of the board



P.A. Linley
Director

13 May 2021

CAPPFINITY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the group continued to be that of recruitment, development and transformation, and online talent assessment.

Information in relation to risks and uncertainties facing the group has been included in the Strategic Report rather than the Directors' Report.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £648,000. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P A Linley

B S Jackson

N J Garcea

P S Clark

P Campbell

K Thomas-Bland

(Resigned 25 June 2020)

M Wells

(Appointed 15 April 2020)

Auditor

In accordance with the company's articles, a resolution proposing that Spencer Gardner Dickins Audit LLP be reappointed as auditor of the group will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of review of performance and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


.....
P A Linley
Director

Date:

13 May 2021

CAPFFINITY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual 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 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAPFFINITY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPFFINITY LIMITED

Opinion

We have audited the financial statements of Cappfinity Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 December 2020 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CAPFFINITY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAPFFINITY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

CAPPFINITY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAPPFINITY LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Enquiring of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Spencer Gardner Dickins Audit LLP

Susan Thomas-Walls BSc BFP FCA (Senior Statutory Auditor)
For and on behalf of Spencer Gardner Dickins Audit LLP

21/5/21
.....

Chartered Accountants
Statutory Auditor

3 Coventry Innovation Village
Cheetah Road
Coventry
CV1 2TL

CAPPFINITY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Turnover	3	10,530,656	10,104,540
Administrative expenses		(11,564,707)	(13,130,090)
Other operating income		113,909	37
Operating loss	4	(920,142)	(3,025,513)
Interest receivable and similar income	8	16,711	55,348
Interest payable and similar expenses	9	(33)	(1,423)
Loss before taxation		(903,464)	(2,971,588)
Tax on loss	10	275,376	496,582
Loss for the financial year	22	(628,088)	(2,475,006)
Other comprehensive income			
Currency translation differences		28,132	38,801
Total comprehensive income for the year		(599,956)	(2,436,205)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

CAPFFINITY LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	12		168,572		227,207
Tangible assets	13		586,805		710,791
			<u>755,377</u>		<u>937,998</u>
Current assets					
Debtors	16	2,163,397		3,684,928	
Cash at bank and in hand		10,898,653		9,696,532	
			<u>13,062,050</u>		<u>13,381,460</u>
Creditors: amounts falling due within one year	17	(5,551,489)		(4,805,564)	
Net current assets			<u>7,510,561</u>		<u>8,575,896</u>
Total assets less current liabilities			<u>8,265,938</u>		<u>9,513,894</u>
Capital and reserves					
Called up share capital	21		860		860
Share premium account	22		9,849,698		9,849,698
Other reserves	22		(449,925)		(449,925)
Profit and loss reserves	22		(1,134,695)		113,261
Total equity			<u>8,265,938</u>		<u>9,513,894</u>

The financial statements were approved by the board of directors and authorised for issue on *13 May 2021* and are signed on its behalf by:


.....
P.A. Linley
Director

CAPFFINITY LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	12		168,572		227,207
Tangible assets	13		583,623		704,992
Investments	14		89		2
			<u>752,284</u>		<u>932,201</u>
Current assets					
Debtors	16	4,190,702		4,789,735	
Cash at bank and in hand		10,024,938		9,456,919	
		<u>14,215,640</u>		<u>14,246,654</u>	
Creditors: amounts falling due within one year	17	(5,194,430)		(4,515,378)	
Net current assets			9,021,210		9,731,276
Total assets less current liabilities			<u>9,773,494</u>		<u>10,663,477</u>
Capital and reserves					
Called up share capital	21		860		860
Share premium account	22		9,849,698		9,849,698
Other reserves	22		(449,925)		(449,925)
Profit and loss reserves	22		372,861		1,262,844
Total equity			<u>9,773,494</u>		<u>10,663,477</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £241,983 (2019 - £1,447,989 loss).

The financial statements were approved by the board of directors and authorised for issue on and signed on its behalf by:


.....
P A Linley
Director

Company Registration No. 06802155

CAPFFINITY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		860	9,849,698	(449,925)	3,109,466	12,510,099
Year ended 31 December 2019:						
Loss for the year		-	-	-	(2,475,006)	(2,475,006)
Other comprehensive income:						
Currency translation differences		-	-	-	38,801	38,801
Total comprehensive income for the year		-	-	-	(2,436,205)	(2,436,205)
Dividends	11	-	-	-	(560,000)	(560,000)
Balance at 31 December 2019		860	9,849,698	(449,925)	113,261	9,513,894
Year ended 31 December 2020:						
Loss for the year		-	-	-	(628,088)	(628,088)
Other comprehensive income:						
Currency translation differences		-	-	-	28,132	28,132
Total comprehensive income for the year		-	-	-	(599,956)	(599,956)
Dividends	11	-	-	-	(648,000)	(648,000)
Balance at 31 December 2020		860	9,849,698	(449,925)	(1,134,695)	8,265,938

CAPPFINITY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		860	9,849,698	(449,925)	3,270,833	12,671,466
Year ended 31 December 2019:						
Loss and total comprehensive income for the year		-	-	-	(1,447,989)	(1,447,989)
Dividends	11	-	-	-	(560,000)	(560,000)
Balance at 31 December 2019		860	9,849,698	(449,925)	1,262,844	10,663,477
Year ended 31 December 2020:						
Loss and total comprehensive income for the year		-	-	-	(241,983)	(241,983)
Dividends	11	-	-	-	(648,000)	(648,000)
Balance at 31 December 2020		860	9,849,698	(449,925)	372,861	9,773,494

CAPFFINITY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		811,614		(2,273,379)
Interest paid			(33)		(1,423)
Income taxes refunded			897,351		-
			<hr/>		<hr/>
Net cash inflow/(outflow) from operating activities			1,708,932		(2,274,802)
Investing activities					
Purchase of intangible assets		-		(92,027)	
Purchase of tangible fixed assets		(59,522)		(134,716)	
Interest received		16,711		55,348	
		<hr/>		<hr/>	
Net cash used in investing activities			(42,811)		(171,395)
Financing activities					
Repayment of bank loans		-		(229,043)	
Dividends paid to equity shareholders		(464,000)		(560,000)	
		<hr/>		<hr/>	
Net cash used in financing activities			(464,000)		(789,043)
Net increase/(decrease) in cash and cash equivalents			1,202,121		(3,235,240)
Cash and cash equivalents at beginning of year			9,696,532		12,931,772
			<hr/>		<hr/>
Cash and cash equivalents at end of year			10,898,653		9,696,532
			<hr/> <hr/>		<hr/> <hr/>

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Cappfinity Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 2230 - 2235 Regents Court, The Crescent, Birmingham Business Park, Birmingham, B37 7YE.

The group consists of Cappfinity Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption from the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 on the basis that it is a qualifying entity and that the results of the company are included in the group statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Cappfinity Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have assessed the group's situation regarding the COVID-19 pandemic and the likely impact on the group. The directors have prepared detailed forecasts using their insights into the global responses to the pandemic and undertaken a review of the future cash flow requirements needed to continue the operations of the group and also to invest and develop the group's presence in foreign territories.

The group has been able to adapt to changing client circumstances which has meant the group has not only been able to continue to generate sales during the pandemic but also to increase turnover when compared to the prior year. Furthermore the level of losses have reduced and the group has been able to generate cash of £1.2m resulting in a healthy cash balance of £10.9m at the year end. The directors are therefore confident that the group has adequate resources and working capital to continue in operational existence for the foreseeable future to deal with the issues arising from the COVID-19 pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs and also with reference to management estimates of work completed but not billed and work billed but not completed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a customer base and patents over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold improvements	20% straight line
Computer equipment and website costs	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The company operates an employee benefit trust (EBT) and has de facto control of the shares held by the trust and bears their benefits and risks. The group and company records assets and liabilities of the trust as its own. Consideration paid by the EBT scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the EBT are recognised on an accruals basis.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the EV/EBITDA model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements, estimates and assumptions which have had the most significant effect on amounts recognised in the financial statements and which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Operating lease commitments

As a lessee, the Group obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Useful economic life of non current assets

Management estimate the useful economic life of non current assets based on the period over which the asset is expected to be used and provide for depreciation accordingly. Where an indication of impairment is identified the estimation of recoverable value requires estimation.

Deferred tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Accrued and deferred income

In recognising accrued income in the financial statements management estimate work completed but not billed to the client. In recognising deferred income in the financial statements management estimate work billed to the client but not completed. These estimates are based on stage of completion of project contracts, project knowledge and professional judgement.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020	2019
	£	£
Other significant revenue		
Interest income	16,711	55,348
Royalty income	16	37
Grants received	113,150	-
Other sundry income	743	-
	<u> </u>	<u> </u>

CAPPFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3	Turnover and other revenue	(Continued)	
		2020	2019
		£	£
	Turnover analysed by geographical market		
	United Kingdom	9,427,005	9,517,260
	United States of America	368,388	438,763
	Australia	697,098	148,517
	Ireland	38,165	-
		<u>10,530,656</u>	<u>10,104,540</u>
4	Operating loss	2020	2019
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	36,778	90,867
	Research and development costs	1,235,890	1,403,163
	Government grants	(113,150)	-
	Depreciation of owned tangible fixed assets	181,161	209,437
	Loss on disposal of tangible fixed assets	2,501	-
	Amortisation of intangible assets	58,635	53,590
	Operating lease charges	525,689	566,639
		<u></u>	<u></u>
5	Auditor's remuneration	2020	2019
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	11,900	11,900
	Audit of the financial statements of the company's subsidiaries	2,580	2,580
		<u>14,480</u>	<u>14,480</u>
	For other services		
	Taxation compliance services	520	520
	All other non-audit services	15,424	14,544
		<u>15,944</u>	<u>15,064</u>

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
210	197	204	190

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	7,283,700	7,652,590	6,674,898	6,857,624
Social security costs	694,733	745,302	668,070	704,658
Pension costs	363,181	345,288	336,831	324,182
	<u>8,341,614</u>	<u>8,743,180</u>	<u>7,679,799</u>	<u>7,886,464</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	513,428	520,600
Company pension contributions to defined contribution schemes	35,620	40,489
	<u>549,048</u>	<u>561,089</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 5).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	245,457	241,180
Company pension contributions to defined contribution schemes	9,180	11,235

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	15,644	55,348
Other interest income	1,067	-
	<u>16,711</u>	<u>55,348</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>15,644</u>	<u>55,348</u>
--	---------------	---------------

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>33</u>	<u>1,423</u>

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	<u>(275,376)</u>	<u>(452,167)</u>
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(44,415)</u>
Total tax credit	<u>(275,376)</u>	<u>(496,582)</u>

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(903,464)	(2,971,588)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(171,658)	(564,602)
Tax effect of expenses that are not deductible in determining taxable profit	92,019	218,633
Unutilised tax losses carried forward	24,017	40,904
Research and development tax credit	(219,754)	(194,562)
Deferred tax adjustments in respect of prior years	-	3,045
Taxation credit	(275,376)	(496,582)

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Dividends payable	648,000	560,000

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	285,637
Amortisation and impairment	
At 1 January 2020	58,430
Amortisation charged for the year	58,635
At 31 December 2020	117,065
Carrying amount	
At 31 December 2020	168,572
At 31 December 2019	227,207
Company	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	285,637
Amortisation and impairment	
At 1 January 2020	58,430
Amortisation charged for the year	58,635
At 31 December 2020	117,065
Carrying amount	
At 31 December 2020	168,572
At 31 December 2019	227,207

CAPPFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

Group	Freehold land	Leasehold	Computer	Total
	and buildings	improvements	equipment and website costs	
	£	£	£	£
Cost				
At 1 January 2020	451,850	249,650	551,798	1,253,298
Additions	-	-	59,522	59,522
Disposals	-	(2,740)	-	(2,740)
Exchange adjustments	-	-	51	51
At 31 December 2020	451,850	246,910	611,371	1,310,131
Depreciation and impairment				
At 1 January 2020	21,086	97,660	423,689	542,435
Depreciation charged in the year	9,037	49,382	122,742	181,161
Eliminated in respect of disposals	-	(274)	-	(274)
Exchange adjustments	-	-	4	4
At 31 December 2020	30,123	146,768	546,435	723,326
Carrying amount				
At 31 December 2020	421,727	100,142	64,936	586,805
At 31 December 2019	430,764	151,990	128,037	710,791
Company				
	Freehold land	Leasehold	Computer	Total
	and buildings	improvements	equipment and website costs	
	£	£	£	£
Cost				
At 1 January 2020	451,850	246,910	546,453	1,245,213
Additions	-	-	57,052	57,052
At 31 December 2020	451,850	246,910	603,505	1,302,265
Depreciation and impairment				
At 1 January 2020	21,086	97,386	421,749	540,221
Depreciation charged in the year	9,037	49,382	120,002	178,421
At 31 December 2020	30,123	146,768	541,751	718,642
Carrying amount				
At 31 December 2020	421,727	100,142	61,754	583,623
At 31 December 2019	430,764	149,524	124,704	704,992

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	89	2
		-	-	89	2

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020	2
Additions	87
At 31 December 2020	89
Carrying amount	
At 31 December 2020	89
At 31 December 2019	2

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Cappfinity Inc.	1.	Ordinary	100.00
Cappfinity PTY Ltd (Previously Capp Australia Pty Ltd)	2.	Ordinary	100.00
Capp & Co (Psychology) Limited	3.	Ordinary	100.00
Cappfinity Ireland Limited	4.	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 450 Lexington Avenue, New York, NY 10017, USA
- 2 Level 2, 383 George Street, Sydney, NSW 2000, Australia
- 3 2230-2235 Regents Court The Crescent, Birmingham Business Park, Birmingham, B37 7YE, UK
- 4 Suite 508, The Capel Building, Mary's Abbey, Smithfield, Dublin, DO7 WD23

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Debtors		Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:					
Trade debtors		1,331,954	2,406,166	1,084,434	2,207,867
Corporation tax recoverable		275,376	897,351	275,376	897,351
Amounts owed by group undertakings		-	-	2,341,402	1,360,427
Other debtors		6,540	-	6,225	-
Prepayments and accrued income		549,527	381,411	483,265	324,090
		<u>2,163,397</u>	<u>3,684,928</u>	<u>4,190,702</u>	<u>4,789,735</u>
17 Creditors: amounts falling due within one year		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Trade creditors		132,510	90,538	111,583	85,668
Amounts owed to group undertakings		-	-	1	1
Other taxation and social security		982,639	775,556	935,367	739,033
Deferred income	18	3,598,394	3,368,558	3,391,568	3,196,170
Other creditors		24,090	21,801	21,543	18,355
Accruals		813,856	549,111	734,368	476,151
		<u>5,551,489</u>	<u>4,805,564</u>	<u>5,194,430</u>	<u>4,515,378</u>
18 Deferred income		Group 2020 £	2019 £	Company 2020 £	2019 £
Other deferred income		<u>3,598,394</u>	<u>3,368,558</u>	<u>3,391,568</u>	<u>3,196,170</u>
19 Retirement benefit schemes				2020 £	2019 £
Defined contribution schemes					
Charge to profit or loss in respect of defined contribution schemes				<u>363,181</u>	<u>345,288</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Share-based payment transactions

Group and company	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 January 2020	14,826	9,969	61.29	5.89
Granted	3,923	6,000	172.85	175.00
Forfeited	-	(1,143)	-	175.00
Outstanding at 31 December 2020	<u>18,749</u>	<u>14,826</u>	<u>84.63</u>	<u>61.29</u>
Exercisable at 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included in the options outstanding at 31 December 2020, are 9,969 share options with an exercise price of £5.89, and a remaining contractual life of 6.5 years.

4,857 options have an exercise price of £175, and a remaining contractual life of 8.5 years.

2,604 options have an exercise price of £175, and a remaining contractual life of 9.5 years.

The remaining 1,319 options have an exercise price of \$227.50 (£168.60), and a remaining contractual life of 10 years.

Shares granted

In July 2019, 6,000 share options were granted with a weighted average exercise price of £175, via an Enterprise Management Incentive scheme.

In April 2020, 2,604 share options were granted with a weighted average exercise price of £175, via an unapproved share incentive scheme.

In December 2020, 1,319 share options were granted with a weighted average exercise price of \$227.50 (£168.60), via a share incentive scheme for US employees.

Shares forfeited

In September 2019, 1,143 share options with a weighted average exercise price of £175 were forfeited.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
188,572 Ordinary A shares of 0.1p each	188	189
600 Ordinary B shares of £1 each	600	600
2,571 Ordinary C shares of 0.1p each	3	3
68,571 Redeemable D preferred shares of 0.1p each	69	68
	<u>860</u>	<u>860</u>

All of the company's shares carry equal rights to income. The company's Ordinary A, B and C shares carry equal voting rights and rights to capital on winding up. The company's Redeemable D preferred shares carry voting rights and rights to capital as specified in the company's Articles of Association.

The Redeemable D preferred shares are redeemable after 6 March 2024 at the discretion of the holder of the majority of D preferred shares.

22 Reserves

The share premium reserve represents the excess of consideration received for the company's share capital over and above their nominal value less any costs of issuing those shares.

Retained Earnings represents the retained profit of the group since its inception.

Other reserves represents shares that the Capp & Co Employee Benefit Trust holds in Cappfinity Limited.

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	109,490	132,219	107,613	126,280
Between two and five years	81,900	189,513	81,900	189,513
	<u>191,390</u>	<u>321,732</u>	<u>189,513</u>	<u>315,793</u>

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	374,320	488,571

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Rentals payable		Consultancy Services	
	2020 £	2019 £	2020 £	2019 £
Group				
Other related parties	98,280	98,280	18,900	-
	<u>98,280</u>	<u>98,280</u>	<u>18,900</u>	<u>-</u>
Company				
Other related parties	98,280	98,280	18,900	-
	<u>98,280</u>	<u>98,280</u>	<u>18,900</u>	<u>-</u>

Other information

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

CAPFFINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

25 Intermediary

The parent company of the group is a sponsoring entity for the intermediary CAPP & Co Limited Employee Benefit Trust. The assets and liabilities of the intermediary are presented within the results of the sponsoring entity and any transactions between both entities have been void for the purpose of the financial statements.

The inclusion of the intermediary has resulted in the following adjustments to the company only figures:

- £8,113 increase in profit and loss reserves
- £449,925 decrease in other reserves
- £830,863 increase in cash
- £1,737 increase in profit for the year

26 Cash generated from group operations

	2020 £	2019 £
Loss for the year after tax	(628,088)	(2,475,006)
Adjustments for:		
Taxation credited	(275,376)	(496,582)
Finance costs	33	1,423
Investment income	(16,711)	(55,348)
Loss on disposal of tangible fixed assets	2,501	-
Amortisation and impairment of intangible assets	58,635	53,590
Depreciation and impairment of tangible fixed assets	181,161	209,437
Currency translation differences on consolidation	27,976	38,802
Movements in working capital:		
Decrease/(increase) in debtors	899,558	(912,377)
Increase in creditors	561,925	1,362,682
Cash generated from/(absorbed by) operations	811,614	(2,273,379)

27 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	9,696,532	1,202,121	10,898,653

28 Analysis of changes in net funds - company

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	9,456,919	568,019	10,024,938