

Company Registration No. 07598074 (England and Wales)

**CONTEXT WORLD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# CONTEXT WORLD LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr H M Davies Mr K A Simon
<b>Company number</b>	07598074
<b>Registered office</b>	Sanderson House Station Road Horsforth Leeds LS18 5NT
<b>Auditor</b>	Buckle Barton Limited Sanderson House Station Road Horsforth Leeds LS18 5NT
<b>Business address</b>	Dial House 2 Burston Road London SW15 6AR

---

# CONTEXT WORLD LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 23

---

# CONTEXT WORLD 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**

The results for the year ended 31 December 2020 show an increase in turnover of over 9% compared with the previous year. Profit before taxation in the year ended 31 December 2020 was £3,034,028 compared with £2,024,455 in the previous year.

During the year the company has continued to work closely with its customers and data partners in the IT industry who have benefited from an acceleration in the purchasing of hardware and software due to the Covid crisis. The need for relevant and insightful information has, therefore, increased, and the company has been developing new and innovative responses to meet emerging needs. The transit to working-from-home did not cause any operational issues, and the company has maintained a focus on the wellbeing of employees impacted by the crisis. In 2020 the company again received a Great Place to Work award, after first receiving this recognition in 2019.

#### **Principal risks and uncertainties**

The process of risk assessment and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to approval by the board of directors and to ongoing review. Compliance with regulations and legal and ethical standards is a high priority for the directors.

The directors consider the main risk to the company to be that posed by technological development in the market place. The company mitigates this risk by investing in new technology and processes that enhance the quality and speed of data analysis.

The company uses various financial instruments: these include cash and various items such as trade debtors and trade creditors that arise directly from the company's trading operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more details below. No transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and these are summarised below. These policies remain unchanged from the previous year.

#### Market risk

Market risk encompasses three types of risk being currency risk, fair value interest rate risk and price risk (the company does not have any listed investments). The company's policy for managing currency risk are set out in the section below entitled 'currency risk'.

#### Currency risk

The company's exposure to exchange rate fluctuations is not considered by the board to be significant because most customers are invoiced in sterling. Invoices issued in other currencies are generally not in currencies subject to significant short term fluctuations.

#### Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the financial institutions in question have high credit ratings assigned to them by international credit rating agencies. The principal credit risk therefore arises from its trade debtors and this risk is mitigated by effective credit control, the procedures for which are monitored by the directors.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely.

# CONTEXT WORLD LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### Key performance indicators

	2020	2019	
Turnover	£16,180,764	£14,797,696	
Gross profit margin	27.9%	23.8%	
Profit before tax	£3,034,028	£2,024,555	
Return on capital employed	122%	156%	Profit before tax as a proportion of b/f shareholder funds
Cash generated /(consumed)	£9,974	(£61,022)	

### Covid 19

When the Covid crisis started in March 2020, full service was assured by the company with 100% working from home, other than routine IT maintenance and a handful of people who worked in the office. Our customers and distribution partners rose to meet the logistical challenges of the crisis and have performed exceptionally well. CONTEXT data has been seen as a critical part of dealing with the uncertainties caused by the crisis, and our subscriptions have continued to grow. We have continued to focus also on the needs of our employees through putting in place flexible working arrangements and measures to support their health and wellbeing.

On behalf of the board

Mr H M Davies  
**Director**  
15 December 2021

# CONTEXT WORLD 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 company during the year was the provision of market research and market data services.

### **Results and dividends**

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

Ordinary dividends were paid amounting to £950,000. The directors do not recommend payment of a final dividend.

### **Directors**

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

Mr H M Davies

Mr K A Simon

### **Financial instruments**

#### ***Principal risks and uncertainties***

The key risks and uncertainties faced by the company are addressed in the strategic report.

### **Auditor**

The auditor, Buckle Barton Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr H M Davies

**Director**

15 December 2021

## **CONTEXT WORLD 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 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.

# CONTEXT WORLD LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CONTEXT WORLD LIMITED

---

### Opinion

We have audited the financial statements of Context World Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 December 2020 and of its profit 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

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

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

### Other information

The 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.

### 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.

# CONTEXT WORLD LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF CONTEXT WORLD LIMITED

---

### **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 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, 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.

### **Responsibilities of directors**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Our approach to identifying potential irregularities in the financial statements included:

- Enquiry of management, those charged with governance and the entity's solicitors around potential litigation and claims.
- Enquiry of entity staff in accounts and compliance functions 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.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

**CONTEXT WORLD LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBER OF CONTEXT WORLD LIMITED**

---

**Mark Dalton BA FCA (Senior Statutory Auditor)**  
for and on behalf of **Buckle Barton Limited**

15 December 2021

**Statutory Auditor**

Sanderson House  
Station Road  
Horsforth  
Leeds  
LS18 5NT

## CONTEXT WORLD LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	16,180,764	14,797,696
Cost of sales		(11,668,609)	(11,276,706)
<b>Gross profit</b>		<b>4,512,155</b>	<b>3,520,990</b>
Administrative expenses		(1,738,222)	(1,735,347)
Other operating income		200,000	217,488
<b>Operating profit</b>	4	<b>2,973,933</b>	<b>2,003,131</b>
Interest receivable and similar income	8	66,720	21,424
Interest payable and similar expenses	9	(6,625)	-
<b>Profit before taxation</b>		<b>3,034,028</b>	<b>2,024,555</b>
Tax on profit	10	(445,125)	(387,258)
<b>Profit for the financial year</b>		<b>2,588,903</b>	<b>1,637,297</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## CONTEXT WORLD LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2020*

---

	2020	2019
	£	£
Profit for the year	2,588,903	1,637,297
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>2,588,903</u>	<u>1,637,297</u>

# CONTEXT WORLD LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		200,803		240,642
<b>Current assets</b>					
Debtors	13	10,413,925		7,574,711	
Cash at bank and in hand		1,605,767		1,595,793	
		<u>12,019,692</u>		<u>9,170,504</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(8,085,851)</u>		<u>(6,886,405)</u>	
<b>Net current assets</b>			<u>3,933,841</u>		<u>2,284,099</u>
<b>Total assets less current liabilities</b>			<u>4,134,644</u>		<u>2,524,741</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	15	11,000		40,000	
		<u>11,000</u>	<u>(11,000)</u>	<u>40,000</u>	<u>(40,000)</u>
<b>Net assets</b>			<u>4,123,644</u>		<u>2,484,741</u>
<b>Capital and reserves</b>					
Called up share capital	17		100		100
Profit and loss reserves			<u>4,123,544</u>		<u>2,484,641</u>
<b>Total equity</b>			<u>4,123,644</u>		<u>2,484,741</u>

The financial statements were approved by the board of directors and authorised for issue on 15 December 2021 and are signed on its behalf by:

Mr H M Davies  
**Director**

**Company Registration No. 07598074**

## CONTEXT WORLD LIMITED

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

---

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 January 2019</b>	100	1,297,344	1,297,444
<b>Year ended 31 December 2019:</b>			
Profit and total comprehensive income for the year	-	1,637,297	1,637,297
Dividends	11	(450,000)	(450,000)
		<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	100	2,484,641	2,484,741
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	2,588,903	2,588,903
Dividends	11	(950,000)	(950,000)
		<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	100	4,123,544	4,123,644
		<hr/> <hr/>	<hr/> <hr/>

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

#### Company information

Context World Limited is a company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is Sanderson House, Station Road, Horsforth, Leeds, LS18 5NT.

The company's principal place of business is Dial House, 2 Burston Road, London, SW15 6AR.

#### 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 £1.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Context World Group Limited. These consolidated financial statements are available from its registered office, Sanderson House, Station Road, Horsforth, Leeds, LS18 5NT.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors do not believe that the impacts of the Covid 19 pandemic have adversely affected the company's ability to continue as a going concern and further information in respect of the impact on the company has been provided in the strategic report.

#### 1.3 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.

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies (Continued)

Revenue from contracts for the provision of market data reports is recognised evenly over the period of time to which the subscription for such reports relates.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

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

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

Leasehold improvements	5% on cost
Plant and machinery	15% on cost
Fixtures, fittings & equipment	20% on cost
Computer equipment	25% on cost

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 credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

**1 Accounting policies** **(Continued)**

**1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.8 Financial instruments**

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company 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 company.

### 1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### *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 when the company has 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.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.13 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.

# CONTEXT WORLD 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 company'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.

The key accounting estimates made by the directors in respect of the financial statements are:

- the recoverability of trade debtors
- the useful economic life of tangible fixed assets

### 3 Turnover and other revenue

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

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Sale of data analysis	16,180,764	14,797,696
	<u>16,180,764</u>	<u>14,797,696</u>

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	66,720	21,424
	<u>66,720</u>	<u>21,424</u>

### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	134,975	2,845
Research and development costs	690	21,722
Depreciation of owned tangible fixed assets	62,899	75,035
(Profit)/loss on disposal of tangible fixed assets	-	169
Operating lease charges	525,999	549,990
	<u>724,563</u>	<u>749,761</u>

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>5 Auditors' remuneration</b>	<b>2020</b>	<b>2019</b>
Fees payable to the company's auditor and its associates:	£	£
<b>For audit services</b>		
Audit of the company's financial statements	10,000	10,000
<b>For other services</b>		
Taxation compliance services	500	4,800
Other taxation services	1,000	-
Services relating to corporate finance transactions	-	15,000
All other non-audit services	2,585	-
	<u>4,085</u>	<u>19,800</u>
<b>6 Directors' remuneration</b>	<b>2020</b>	<b>2019</b>
	£	£
Remuneration for qualifying services	<u>7,228</u>	<u>8,000</u>
<b>7 Employees</b>		
The average monthly number of persons (including directors) employed by the company during the year was:		
	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Directors	<u>2</u>	<u>4</u>
Their aggregate remuneration comprised:		
	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	<u>7,228</u>	<u>8,000</u>
<b>8 Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
	£	£
<b>Interest income</b>		
Interest on bank deposits	664	7,240
Interest receivable from group companies	46,625	14,184
Other interest income	19,431	-
Total income	<u>66,720</u>	<u>21,424</u>

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Other interest on financial liabilities	6,625	-
		<u>          </u>	<u>          </u>

<b>10</b>	<b>Taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	480,000	385,000
	Adjustments in respect of prior periods	(5,875)	2,258
	Total current tax	<u>474,125</u>	<u>387,258</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(29,000)	-
	Total tax charge	<u>445,125</u>	<u>387,258</u>

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

	<b>2020</b>	<b>2019</b>	
	<b>£</b>	<b>£</b>	
Profit before taxation	<u>3,034,028</u>	<u>2,024,555</u>	
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	576,465	384,665	
Tax effect of expenses that are not deductible in determining taxable profit	-	2,992	
Adjustments in respect of prior years	(5,875)	2,258	
Group relief	(111,363)	-	
Depreciation on assets not qualifying for tax allowances	1,726	1,726	
Rounding of tax charges	8,439	(6,942)	
Deferred tax rounding	(24,267)	2,559	
Taxation charge for the year	<u>445,125</u>	<u>387,258</u>	
<b>11</b>	<b>Dividends</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Interim paid	<u>950,000</u>	<u>450,000</u>

## CONTEXT WORLD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	181,737	96,990	29,939	796,153	1,104,819
Additions	-	-	-	23,059	23,059
At 31 December 2020	181,737	96,990	29,939	819,212	1,127,878
<b>Depreciation and impairment</b>					
At 1 January 2020	59,094	66,355	20,571	718,156	864,176
Depreciation charged in the year	9,086	11,188	4,496	38,129	62,899
At 31 December 2020	68,180	77,543	25,067	756,285	927,075
<b>Carrying amount</b>					
At 31 December 2020	113,557	19,447	4,872	62,927	200,803
At 31 December 2019	122,642	30,634	9,369	77,997	240,642
<b>13 Debtors</b>				<b>2020</b>	<b>2019</b>
				£	£
Trade debtors				4,297,887	2,052,478
Amounts owed by group undertakings				519,487	414,866
Other debtors				1,501,336	2,039,869
Prepayments and accrued income				312,585	517,183
				6,631,295	5,024,396
				<b>2020</b>	<b>2019</b>
<b>Amounts falling due after more than one year:</b>				£	£
Amounts owed by group undertakings				3,782,630	2,550,315
<b>Total debtors</b>				10,413,925	7,574,711

# CONTEXT WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	326,199	447,436
Corporation tax	865,750	460,530
Other taxation and social security	54,696	205,310
Deferred income	16 6,358,339	5,199,267
Other creditors	191,100	194,500
Accruals and deferred income	289,767	379,362
	<u>8,085,851</u>	<u>6,886,405</u>

### 15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020	Liabilities 2019
	£	£
<b>Balances:</b>		
ACAs	<u>11,000</u>	<u>40,000</u>
		<b>2020</b>
		£
<b>Movements in the year:</b>		
Liability at 1 January 2020		40,000
Credit to profit or loss		(29,000)
Liability at 31 December 2020		<u>11,000</u>

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 16 Deferred income

	2020	2019
	£	£
Other deferred income	<u>6,358,339</u>	<u>5,199,267</u>

## CONTEXT WORLD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

Ordinary shares carry one vote per share and rank equally for the purpose of dividends, capital and other distributions.

#### 18 Financial commitments and guarantees

The company has granted a charge over its assets in order to provide security for certain liabilities owed by its parent company, Context World Group Limited. At 31 December 2020 the parent company's liabilities to the charge holders was £7,386,291.

#### 19 Operating lease commitments

##### Lessee

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

	2020	2019
	£	£
Within one year	174,380	174,380
Between two and five years	87,190	261,570
	<u>261,570</u>	<u>435,950</u>
	<u>261,570</u>	<u>435,950</u>

#### 20 Related party transactions

##### Transactions with related parties

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

During the year ended 31 December 2020 the company was charged £10,829,686 (2019: £10,422,169) for the provision of subcontractors and management consultants by Rovisons Limited, a company of which was under the control of H M Davies, a director of Context World Limited. During the year ended 31 December 2020 the company made charges totalling £200,000 (2019: £200,000) to Rovisons Limited in respect of rent.

Other debtors at 31 December 2020 included a loan to Rovisons Limited of £1,002,133 (2019: £1,190,098). The balance due to the company was unsecured and no interest was charged on the loan.

Included in other debtors at 31 December 2020 is an unsecured, interest free loan of £352,841 (2019: £352,841) to Rovisons Management LLP, an LLP of which H M Davies is a member.

## CONTEXT WORLD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 21 Directors' transactions

Loans to directors:

Description	% Rate	Opening balance £	Amounts advanced £	Interes charged £	Amounts repaid £	Closing balance £
Mr H M Davies -	3.45	389,013	341,137	19,341	(367,228)	382,263
		<u>389,013</u>	<u>341,137</u>	<u>19,341</u>	<u>(367,228)</u>	<u>382,263</u>

#### 22 Ultimate controlling party

The company is a wholly owned subsidiary of Context World Group Limited, a company registered in England & Wales.

The ultimate controlling party is Howard Davies, a director of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.