Company Registration No. 07158006 (England and Wales)

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

COMPANY INFORMATION

Directors	Mr H R C Braithwaite Mr P Thomas Mr A Yonge
Secretary	Mr P Thomas
Company number	07158006
Registered office	3000 Lakeside North Harbour Western Road Portsmouth Hampshire PO6 3EN
Auditor	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Business address	3000 Lakeside North Harbour Western Road Portsmouth Hampshire PO6 3EN
Bankers	HSBC Bank plc 118 Commercial Road Portsmouth PO1 1EP

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and the recognition of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Furthermore, audit procedures tested the recognition of revenue on a sample of contracts, by reference to supporting agreements, the revenue expected to be earned and the period over which software services will be provided. Our procedures specifically tested that amounts had been adequately deferred for those contracts spanning the year-end.

A further description of our responsibilities for the audit of the financial statements is located 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.

RSM UK Audit LLP

Paul Anthony (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TY

9 September 2022

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	25,332,922	24,154,137
Cost of sales		(15,069,205)	(15,108,769)
Gross profit		10,263,717	9,045,368
Administrative expenses		(12,265,525)	(10,466,538)
Other operating income		7,901	765,165
Operating loss	6	(1,993,907)	(656,005)
Interest receivable and similar income	8	272	12,109
Loss before taxation		(1,993,635)	(643,896)
Tax on loss	9	177,823	201,656
Loss for the financial year		(1,815,812)	(442,240)
Other comprehensive income net of taxation			
Currency translation differences		20,340	(47,209)
Total comprehensive income for the year		(1,795,472)	(489,449)

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.

Company Registration No. 07158006

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		586,042		463,906
Current assets					
Debtors	14	2,680,274		2,575,924	
Cash at bank and in hand		4,585,934		5,394,139	
		7,266,208		7,970,063	
Creditors: amounts falling due within one year	15	(6,834,687)		(5,478,434)	
Net current assets			431,521		2,491,629
Total assets less current liabilities			1,017,563		2,955,535
Capital and reserves					
Called up share capital	18		1,100		1,100
Share premium account	19		19,564		19,564
Profit and loss reserves	19		996,899		2,934,871
Total equity			1,017,563		2,955,535

The financial statements were approved by the board of directors and authorised for issue on 8 September 2022 and are signed on its behalf by:

.....
Mr P Thomas
Director

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		521,653		375,158
Investments	12		3,331		3,331
			524,984		378,489
Current assets					
Debtors	14	2,401,943		2,156,895	
Cash at bank and in hand		2,107,697		3,417,478	
		4,509,640		5,574,373	
Creditors: amounts falling due within one year	15	(5,999,504)		(4,573,308)	
Net current (liabilities)/assets			(1,489,864)		1,001,065
Total assets less current liabilities			(964,880)		1,379,554
Capital and reserves					
Called up share capital	18		1,100		1,100
Share premium account	19		19,564		19,564
Profit and loss reserves	19		(985,544)		1,358,890
Total equity			(964,880)		1,379,554

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income and related notes as it prepares group accounts. The company's loss for the year was £2,201,934 (2020 - £1,633,008 loss).

The financial statements were approved by the board of directors and authorised for issue on 8 SEPTEMBER 2022 and are signed on its behalf by:

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Mr.P Thomas
Director

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,100	19,564	3,596,820	3,617,484
Year ended 31 December 2020:					
Loss for the year		-	-	(442,240)	(442,240)
Other comprehensive income net of taxation:					
Currency translation differences		-	-	(47,209)	(47,209)
Total comprehensive income for the year		-	-	(489,449)	(489,449)
Dividends	10	-	-	(172,500)	(172,500)
Balance at 31 December 2020		1,100	19,564	2,934,871	2,955,535
Year ended 31 December 2021:					
Loss for the year		-	-	(1,815,812)	(1,815,812)
Other comprehensive income net of taxation:					
Currency translation differences		-	-	20,340	20,340
Total comprehensive income for the year		-	-	(1,795,472)	(1,795,472)
Dividends	10	-	-	(142,500)	(142,500)
Balance at 31 December 2021		1,100	19,564	996,899	1,017,563

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,100	19,564	3,164,398	3,185,062
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(1,633,008)	(1,633,008)
Dividends	**10**	-	-	(172,500)	(172,500)
Balance at 31 December 2020		1,100	19,564	1,358,890	1,379,554
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(2,201,934)	(2,201,934)
Dividends	**10**	-	-	(142,500)	(142,500)
Balance at 31 December 2021		1,100	19,564	(985,544)	(964,880)

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash absorbed by operations	23		(813,119)		(32,269)
Income taxes refunded/(paid)			489,320		(76,855)
Net cash outflow from operating activities			(323,799)		(109,124)
Investing activities					
Purchase of tangible fixed assets		(363,422)		(182,942)	
Repayments/ advances from other investments and loans		-		748,007	
Interest received		272		12,109	
Net cash (used in)/generated from investing activities			(363,150)		577,174
Financing activities					
Dividends paid to equity shareholders		(142,500)		(172,500)	
Net cash used in financing activities			(142,500)		(172,500)
Net (decrease)/increase in cash and cash equivalents			(829,449)		295,550
Cash and cash equivalents at beginning of year			5,394,139		5,158,574
Effect of foreign exchange rates			21,244		(59,985)
Cash and cash equivalents at end of year			4,585,934		5,394,139

1 Accounting policies

Company information

Lead Forensics is a private company limited by shares incorporated in England and Wales. The registered office is 3000 Lakeside, North Harbour, Western Road, Portsmouth, PO6 3EN.

The group consists of Lead Forensics Limited and its subsidiary Lead Forensics Inc.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include certain financial instruments at fair value.

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.

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income and related notes as it prepares group accounts. The company's loss for the year was £2,201,934 (2020 - £1,633,008 loss).

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:-

Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures

Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment; interest income/expense and net gains/losses for financial instruments measured at amortised cost; loan defaults or breaches, and descriptions of hedging relationships

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.

Basis of consolidation

The consolidated financial statements incorporate those of Lead Forensics Limited and its subsidiary (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

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 **Accounting policies (Continued)**

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the group and 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 have forecast up until 30 September 2023 and this shows that the group has adequate cash reserves to continue to operate. In making this assessment, the directors have considered the impact of the Covid-19 outbreak on the global economy and the impact this has on the group.

Turnover
Turnover is recognised at the fair value of the consideration received or receivable for services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Sales are recognised at the point at which the company has fulfilled its contractual obligations to the client.

Revenue from contracts for the provision of lead generation software is recognised on a straight line basis over the period of the contract.

Tangible fixed assets
Tangible fixed assets are 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:

Fixtures and fittings	20-33% straight line
Computers	33% 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 credited or charged to profit or loss.

Fixed asset investments
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

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

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

Financial instruments are recognised 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.

1 **Accounting policies (Continued)**

Basic financial assets
Basic financial assets, which include trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 group after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors and bank loans 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.

Equity instruments
Equity instruments issued by the group are recorded at the fair value of 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.

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

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.

1 **Accounting policies (Continued)**

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown within other creditors.

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 a suitable valuation 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.

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 leased asset are consumed.

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.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date or the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into Group's presentational currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Bad debt provision

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of lead generation software	25,332,922	24,154,137
Other revenue		
Grants received	7,901	765,165

Turnover analysed by geographical market

	2021	2020
	£	£
United Kingdom	11,473,401	11,552,906
Other European Countries	4,279,251	3,511,386
United States of America	7,885,613	7,830,089
Other Non-European Countries	1,694,657	1,259,756
	25,332,922	24,154,137

4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administrative staff	162	160	159	153
Direct labour	273	297	230	232
Directors	3	2	3	2
Total	438	459	392	387

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	18,829,525	18,463,495	14,637,474	13,014,006
Social security costs	1,531,054	1,377,030	1,531,054	1,377,030
Pension costs	234,986	199,157	234,986	199,157
	20,595,565	20,039,682	16,403,514	14,590,193

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	257,212	170,471
Company pension contributions to defined contribution schemes	1,432	1,428
	258,644	171,899

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

	2021 £	2020 £
Remuneration for qualifying services	140,370	-
Company pension contributions to defined contribution schemes	1,319	-

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

6 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	5,324	(2,840)
Government grants	(7,901)	(765,165)
Depreciation of owned tangible fixed assets	241,416	288,674
Operating lease charges	751,176	762,130

7 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	30,000	26,750

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Other interest income	272	12,109

9 Taxation

	2021	2020
	£	£
Current tax		
Adjustments in respect of prior periods	(289,374)	(321,972)
Foreign current tax on profits for the current period	111,551	118,274
Adjustments in foreign tax in respect of prior periods	-	2,042
Total current tax	(177,823)	(201,656)
Deferred tax		
Origination and reversal of timing differences	(45,183)	(38,012)
Changes in tax rates	10,845	4,001
Adjustment in respect of prior periods	34,338	34,011
Total deferred tax	-	-
Total tax credit	(177,823)	(201,656)

9 Taxation (Continued)

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(1,993,635)	(643,896)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(378,791)	(122,340)
Tax effect of expenses that are not deductible in determining taxable profit	26,099	2,698
Tax effect of income not taxable in determining taxable profit	-	(157,365)
Adjustments in respect of prior years	-	2,042
Effect of change in corporation tax rate	10,845	4,001
Research and development tax credit	(255,036)	(287,961)
Deferred tax not recognised	402,419	330,661
Effect of profits chargeable to foreign tax	-	394
Difference in international tax rates	16,641	26,214
Taxation credit	(177,823)	(201,656)

10 Dividends

Recognised as distributions to equity holders:	2021 Per share £	2020 Per share £	2021 Total £	2020 Total £
A shares				
Final paid	2.16	0.71	142,500	47,500
B shares				
Final paid	-	2.84	-	125,000
Total dividends				
Final dividends paid			142,500	172,500

The company had sufficient reserves at the time the dividend was paid.

11 Tangible fixed assets

Group	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2021	798,149	1,243,121	2,041,270
Additions	242,209	121,213	363,422
Exchange adjustments	1,807	1,473	3,280
At 31 December 2021	1,042,165	1,365,807	2,407,972
Depreciation and impairment			
At 1 January 2021	574,868	1,002,496	1,577,364
Depreciation charged in the year	87,436	153,980	241,416
Exchange adjustments	1,609	1,541	3,150
At 31 December 2021	663,913	1,158,017	1,821,930
Carrying amount			
At 31 December 2021	378,252	207,790	586,042
At 31 December 2020	223,281	240,625	463,906

Company	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2021	589,169	1,072,737	1,661,906
Additions	239,815	109,835	349,650
At 31 December 2021	828,984	1,182,572	2,011,556
Depreciation and impairment			
At 1 January 2021	431,423	855,325	1,286,748
Depreciation charged in the year	65,354	137,801	203,155
At 31 December 2021	496,777	993,126	1,489,903
Carrying amount			
At 31 December 2021	332,207	189,446	521,653
At 31 December 2020	157,746	217,412	375,158

12 Fixed asset investments

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Investments in subsidiaries	13	-	-	3,331	3,331

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2021 and 31 December 2021	3,331
Carrying amount	
At 31 December 2021	3,331
At 31 December 2020	3,331

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Lead Forensics Incorporated	2970 Clairmont Rd NE, Suite 450, Atlanta GA30329	Development and sale of lead generation software	Ordinary shares	100.00

14 Debtors

Amounts falling due within one year:	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,885,752	1,481,970	1,658,755	1,207,058
Corporation tax recoverable	14,583	326,080	-	321,972
Amounts owed by group undertakings	-	-	77,372	4,485
Other debtors	274	1,986	-	-
Prepayments and accrued income	779,665	765,888	665,816	623,380
	2,680,274	2,575,924	2,401,943	2,156,895

During the year, the group wrote off £45,384 (2020 - £132,832) in relation to bad debts.

15 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	258,129	274,099	265,655	252,830
Other taxation and social security	1,015,049	1,373,569	1,014,514	1,373,569
Other creditors	296,684	309,091	232,676	234,490
Accruals and deferred income	5,264,825	3,521,675	4,486,659	2,712,419
	6,834,687	5,478,434	5,999,504	4,573,308

16 Employee share options

The group has issued share options under the Enterprise Management Incentives Scheme for two members of staff including one director. This scheme was established in 2015.

During the year 1,692 options were forfeited and at 31 December 2021, 733 (2020 – 2,425) options remained unexercised. The weighted average share price of those options issued and outstanding as the year end was £0.01 per share. The share options are exercisable on disposal of the business and have an expiry date of 29 April 2025.

The fair value of the options issued has been assumed as immaterial and therefore no charge has been reflected within the financial statements.

17 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	234,986	199,157

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. As at the balance sheet date £55,989 (2020 - £52,827) was outstanding.

18 Share capital

	Group and Company			
	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A shares of 1p each	66,000	66,000	660	660
B shares of 1p each	44,000	44,000	440	440
	110,000	110,000	1,100	1,100

The 'A' shares and the 'B' shares shall each carry full voting rights and rank pari passu in all respects except in relation to income where the shares shall rank separately with regard to entitlement to dividend such that the directors may at any time resolve to declare or recommend a dividend on one class of share and not on the other class.

19 Reserves

Share premium
Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves
Cumulative profit and loss net of distribution to owners.

20 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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	438,600	471,329	261,240	119,133
Between one and five years	606,573	193,321	606,573	17,482
	1,045,173	664,650	867,813	136,615

21 Analysis of changes in net funds - group

	1 January 2021	Cash flows	Exchange rate movements	31 December 2021
	£	£	£	£
Cash at bank and in hand	5,394,139	(829,449)	21,244	4,585,934

22 Capital commitments

The group had capital commitments as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	91,580	-	91,580	-

23 Cash absorbed by group operations

	2021	2020
	£	£
Loss for the year after tax	(1,815,812)	(442,240)
Adjustments for:		
Taxation credited	(177,823)	(201,656)
Investment income	(272)	(12,109)
Depreciation and impairment of tangible fixed assets	241,416	288,674
Movements in working capital:		
Increase in debtors	(414,523)	(346,540)
Increase in creditors	1,353,895	681,602
Cash absorbed by operations	(813,119)	(32,269)

24 Directors' transactions

Dividends totalling £142,500 (2020 - £172,500) were paid in the year in respect of shares held by the company's directors.

During the prior year the director repaid a previous advance in full of £748,007. This was the maximum amount outstanding in the prior year.

25 Controlling party

The company was under the control of Mr P Thomas during the current and previous year, by virtue of his majority shareholding.