

**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**  
**FOR**  
**BUSINESS FUNDING RESEARCH LTD**

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**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

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**BUSINESS FUNDING RESEARCH LTD**

**COMPANY INFORMATION**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

**DIRECTORS:**

Dr S J Bence  
T A S Austin  
C Songhurst

**REGISTERED OFFICE:**

Cheribourne House  
45a Station Road  
Willington  
Bedford  
Bedfordshire  
MK44 3QL

**REGISTERED NUMBER:**

07312969 (England and Wales)

**ACCOUNTANTS:**

Baker Noel  
Cheribourne House  
45A Station Road  
Willington  
Bedford  
Bedfordshire  
MK44 3QL

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

The directors present their report with the financial statements of the company for the period 1 August 2019 to 30 June 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of the sale of subscriptions to funding software.

**REVIEW OF BUSINESS**

Despite the macroeconomic shocks caused by the COVID-19 pandemic, the company has grown quickly over the past 11 months. The majority of revenue continues to be generated by the sale of annual subscriptions to our data platform.

It should be noted that this year's accounts run to only 11 months. This is because the company has decided to bring its accounting year in line with internal planning cycles.

As detailed in previous years, standard accounting practices require subscription revenue to be accounted for over the period of the licence and so the accounts reflect a significant level of deferred revenue shown as a liability on the balance sheet.

All development expenditure has been capitalised to provide a relevant picture of the company's financial position and to reflect the income-generating intellectual property that has been developed.

Over the coming years we expect to continue to grow, improving and developing the services we provide to our customers. The directors are satisfied that the company is sufficiently well financed to continue operations for the foreseeable future, with various options for funding, including lending facilities or equity investment, should any need arise.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

Dr S J Bence  
T A S Austin  
C Songhurst

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

**ON BEHALF OF THE BOARD:**

T A S Austin - Director

2 October 2020

**BALANCE SHEET**  
**30 JUNE 2020**

	Notes	30.6.20 £	£	31.7.19 £	£
<b>FIXED ASSETS</b>					
Intangible assets	4		<b>2,855,324</b>		2,352,579
Tangible assets	5		<b>106,808</b>		128,022
Investments	6		<b>100</b>		100
			<u><b>2,962,232</b></u>		<u>2,480,701</u>
<b>CURRENT ASSETS</b>					
Debtors	7	<b>985,347</b>		568,675	
Cash at bank		<u><b>1,098,016</b></u>		<u>355,087</u>	
		<b>2,083,363</b>		923,762	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u><b>3,249,896</b></u>		<u>2,043,469</u>	
<b>NET CURRENT LIABILITIES</b>			<u><b>(1,166,533)</b></u>		<u>(1,119,707)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,795,699</b>		1,360,994
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		<u><b>816,918</b></u>		<u>139,999</u>
<b>NET ASSETS</b>			<u><b>978,781</b></u>		<u>1,220,995</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		<b>344</b>		344
Share premium	12		<b>5,119,117</b>		5,111,665
Other reserves	12		-		9,000
Fair value reserve	12		<b>493,702</b>		203,902
Retained earnings	12		<u><b>(4,634,382)</b></u>		<u>(4,103,916)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>978,781</b></u>		<u>1,220,995</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 June 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 June 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**BALANCE SHEET - continued**  
**30 JUNE 2020**

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 2 October 2020 and were signed on its behalf by:

T A S Austin - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

1. **STATUTORY INFORMATION**

Business Funding Research Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for certain financial instruments, which are shown at fair value.

**Related party exemption**

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

**Turnover**

Turnover represents the amounts earned on subscriptions to a software service net of VAT. Income is recognised on a straight-line basis over the term of the subscription period. Where sales invoices for subscriptions run beyond the year end that proportion of the income is not recognised in sales but shown in creditors as deferred revenue.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2016 and another business in 2018, is being amortised evenly over its estimated useful life of five years for each business respectively. Goodwill is reviewed by the directors annually for impairment.

**Other intangible assets**

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

Patents and licences are being amortised over estimated useful life of five years.

Development expenditure is amortised over estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- The period of the lease
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

**Government grants**

Government grants are recognised using the accrual model and classified as either a revenue based grant or a capital based grant. Revenue based grants are recognised on a systematic basis over the period in which the entity recognises the related costs for which the grant is intended to compensate.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Contingent assets**

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

**Research and development**

Expenditure on research is written off against profits in the year in which it is incurred. Development expenditure is capitalised and amortised over its useful life. Development expenditure is capitalised so as to reflect the income-generating data platform that has been developed.

**Hire purchase and leasing commitments**

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

Lease incentives are recognised on a straight-line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

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

**Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, loans due in more than one year are measured at amortised cost using the effective interest rate method.

**Share-based payment transactions**

The company operates equity-settled share-based compensation plans. The fair value of the services received in exchange for the grant of options is recognised within personnel expenses, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The fair value of the options granted is measured using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions.

At each reporting date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 73 (2019 - 57).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

4. **INTANGIBLE FIXED ASSETS**

	Goodwill £	Other intangible assets £	Totals £
<b>COST</b>			
At 1 August 2019	155,000	3,245,798	3,400,798
Additions	-	1,102,666	1,102,666
At 30 June 2020	<u>155,000</u>	<u>4,348,464</u>	<u>4,503,464</u>
<b>AMORTISATION</b>			
At 1 August 2019	130,000	918,219	1,048,219
Charge for period	5,500	594,421	599,921
At 30 June 2020	<u>135,500</u>	<u>1,512,640</u>	<u>1,648,140</u>
<b>NET BOOK VALUE</b>			
At 30 June 2020	<u>19,500</u>	<u>2,835,824</u>	<u>2,855,324</u>
At 31 July 2019	<u>25,000</u>	<u>2,327,579</u>	<u>2,352,579</u>

5. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2019	99,826	71,199	114,663	285,688
Additions	-	1,322	15,425	16,747
Disposals	-	-	(940)	(940)
At 30 June 2020	<u>99,826</u>	<u>72,521</u>	<u>129,148</u>	<u>301,495</u>
<b>DEPRECIATION</b>				
At 1 August 2019	29,949	42,648	85,069	157,666
Charge for period	9,151	11,455	17,355	37,961
Eliminated on disposal	-	-	(940)	(940)
At 30 June 2020	<u>39,100</u>	<u>54,103</u>	<u>101,484</u>	<u>194,687</u>
<b>NET BOOK VALUE</b>				
At 30 June 2020	<u>60,726</u>	<u>18,418</u>	<u>27,664</u>	<u>106,808</u>
At 31 July 2019	<u>69,877</u>	<u>28,551</u>	<u>29,594</u>	<u>128,022</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

**6. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings</b>	
	<b>£</b>	
<b>COST</b>		
At 1 August 2019 and 30 June 2020		<u>100</u>
<b>NET BOOK VALUE</b>		
At 30 June 2020		<u>100</u>
At 31 July 2019		<u>100</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30.6.20</b>	<b>31.7.19</b>
	<b>£</b>	<b>£</b>
Trade debtors	742,029	367,425
Other debtors	<u>243,318</u>	<u>201,250</u>
	<u>985,347</u>	<u>568,675</u>

Other debtors includes £144,923 (2019 £144,923) relating to a rent deposit, which is repayable in more than one year.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30.6.20</b>	<b>31.7.19</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	833	-
Trade creditors	91,116	128,042
Taxation and social security	629,141	195,689
Other creditors	<u>2,528,806</u>	<u>1,719,738</u>
	<u>3,249,896</u>	<u>2,043,469</u>

The figure for other creditors includes accruals and deferred revenue of £2,397,398 (2019: £1,494,803).

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>30.6.20</b>	<b>31.7.19</b>
	<b>£</b>	<b>£</b>
Bank loans	49,167	-
Other creditors	<u>767,751</u>	<u>139,999</u>
	<u>816,918</u>	<u>139,999</u>

**10. LEASING AGREEMENTS**

The minimum lease payments falling due for operating leases total £220,205 (2019: £360,431).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	30.6.20	31.7.19
Number:	Class:	value:	£	£
341,131	Ordinary	0.001	341	341
3,261	A Ordinary	0.001	3	3
			<u>344</u>	<u>344</u>

150 Ordinary shares of 0.001 each were allotted as fully paid at a premium of £49.679 per share during the period.

**12. RESERVES**

	Retained earnings	Share premium	Other reserves	Fair value reserve	Totals
	£	£	£	£	£
At 1 August 2019	(4,103,916)	5,111,665	9,000	203,902	1,220,651
Deficit for the period	(530,933)				(530,933)
Share options	-	-	-	289,800	289,800
Cash share issue	-	7,452	-	-	7,452
Capital contribution reserve	467	-	(467)	-	-
Reclassification of debt	-	-	(8,533)	-	(8,533)
At 30 June 2020	<u>(4,634,382)</u>	<u>5,119,117</u>	<u>-</u>	<u>493,702</u>	<u>978,437</u>

**13. RELATED PARTY DISCLOSURES**

Included within 'other creditors due after more than one year' is a loan of £49,000 from one of the directors.

**14. SHARE-BASED PAYMENT TRANSACTIONS**

In February 2018 an equity-settled share-based payment plan was implemented.

Throughout period ended 30th June 2020 a total of 6,080 additional share options were issued to staff as part of this scheme.

The options issued in September 2019 totalled 5,989 and had a strike price of £11.50 per share with the expectation that 5,950 share options will be vested. The fair value, using the Black Scholes model, is £37.26 per share. The exercise date is 31 July 2020.

The options issued in February 2020 totalled 91 and had a strike price of £11.50 per share with the expectation that 91 share options will be vested. The fair value, using the Black Scholes model, is £37.25 per share. The exercise date is 31 July 2020.

The accounts reflect the amount of £289,800 (2019: £151,608) applicable to the year as a cost in the profit and loss which is shown in the fair value reserve.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 AUGUST 2019 TO 30 JUNE 2020**

15. **GOING CONCERN**

The financial statements have been prepared on a going concern basis. The shareholders will continue to support the company for the foreseeable future.

The directors do not believe that the impact of the COVID-19 pandemic will affect the going concern status of the company.

16. **DEFERRED REVENUE**

Invoices raised for the subscription service which run beyond the year end have been treated as deferred revenue. The balance of deferred revenue at 30 June 2020 was £2,313,902 (2019: £1,446,139).

17. **CONTINGENT ASSETS**

The company will complete a Research and Development tax credit claim for the financial year ending 30th June 2020 after the year end. If the claim is successful then the expected tax credit will be £292,757.61.

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.