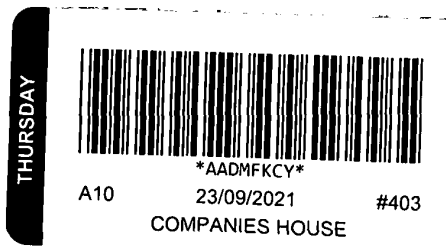


Company Registration No. 07158006 (England and Wales)

**LEAD FORENSICS LIMITED AND SUBSIDIARY
COMPANY**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**



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

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

Turnover has remained stable year on year reflecting the Group's success in trading through the Covid-19 pandemic. The Group made a pre-tax loss of £643,896 (2019: profit £149,572) which reflects ongoing investment in all aspects of the business and, in particular in diversifying the product range. This impacted the pre tax result, as did the Covid pandemic which resulted in a small number of customers going out of business, the impact of which was largely mitigated by new customer wins. There was an ongoing focus in 2020 on Research and Development, both in new and existing products. Towards the end of the year and beyond, these investments began to realise greater returns with increased turnover.

At the year end the Group had shareholder funds of £2,955,535 (2019 - £3,617,484). Current assets remained stable, with positive net cash flow during the year and an increase in trade debtors. The latter reflects the Group's strong sales performance towards the end of the year.

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 assessed the impact of the coronavirus pandemic on the future outlook for the business and consider that the Group will remain a going concern.

Future developments

The coronavirus pandemic continues to have a profound impact on the global economy, providing a more challenging environment in which to operate. However, Lead Forensics remains focused on continued business growth and has maintained business continuity both throughout 2020 and post year end.

Growth of existing products and commercialisation of new products in both the UK and overseas markets remains a key focus. The investment in people and product has continued and is still expected to result in long term growth.

Principal risks

A key risk to the business is a contraction in the sales line. The Group maintains a high level of focus on all aspects of the sales cycle as well as containing costs to a level appropriate to the Group's growth.

Furthermore, the Group's positive cash reserves limits exposure to the above, and consequently, the group considers its exposure to risks in the areas of price risk, credit risk, liquidity risk and cash flow risk as low. A key objective in this area remains to have no external borrowings and to finance both growth and day to day financial commitments organically. Furthermore, the Group aims to minimise financial risk through maintaining as low as possible balances with related parties.

The Group makes little use of financial instruments other than its operational bank accounts so risk of exposure to Group profits in this area is minimal.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

STRATEGIC REPORT (CONTINUED)

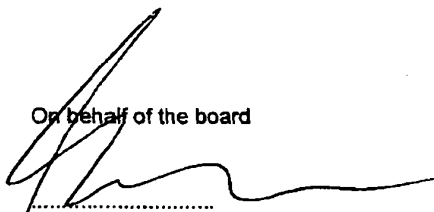
FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators

The Group remains fully committed to its strategy of investing in people and product with the goal of long-term sales growth. This was not achieved in 2020, but in light of the global pandemic, a stable top line was a solid result.

	2020	2019
Sales growth (£millions)	(0.16)	1.6

On behalf of the board



.....
Mr P Thomas
Director

Date: 21/09/2021
.....

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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 and group continued to be that of development and sale of lead generation software.

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 R C Braithwaite
Mr P Thomas
Mr A Yonge

Results and dividends

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

Ordinary dividends were paid amounting to £172,500 (2019 - £222,234). The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

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

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, each director has taken all the necessary steps that they ought to have taken as a director 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 P Thomas
Director

Date: 21/09/2021

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

Opinion

We have audited the financial statements of Lead Forensics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY (CONTINUED)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY (CONTINUED)

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.

Paul Anthony

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

21 September 2021

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

	Notes	2020 £	2019 £
Turnover	3	24,154,137	24,311,641
Cost of sales		(15,108,769)	(13,939,628)
Gross profit		9,045,368	10,372,013
Administrative expenses		(10,466,538)	(10,254,394)
Other operating income		765,165	-
Operating (loss)/profit	6	(656,005)	117,619
Interest receivable and similar income	8	12,109	31,953
(Loss)/profit before taxation		(643,896)	149,572
Tax on (loss)/profit	9	201,656	(43,431)
(Loss)/profit for the financial year		(442,240)	106,141
Other comprehensive income net of taxation			
Currency translation differences		(47,209)	(19,635)
Total comprehensive income for the year		(489,449)	86,506

(Loss)/profit 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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		463,906		571,784
Current assets					
Debtors	14	2,575,924		2,700,018	
Cash at bank and in hand		5,394,139		5,158,574	
			7,970,063		7,858,592
Creditors: amounts falling due within one year	15	(5,478,434)		(4,812,892)	
Net current assets			2,491,629		3,045,700
Total assets less current liabilities			2,955,535		3,617,484
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		2,934,871		3,596,820
Total equity			2,955,535		3,617,484

The financial statements were approved by the board of directors and authorised for issue on 21/09/2021 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 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	11	375,158		422,042	
Investments	12	3,331		3,331	
		<u>378,489</u>		<u>425,373</u>	
Current assets					
Debtors	14	2,156,895		2,098,018	
Cash at bank and in hand		<u>3,417,478</u>		<u>4,359,030</u>	
		5,574,373		6,457,048	
Creditors: amounts falling due within one year	15	<u>(4,573,308)</u>		<u>(3,697,359)</u>	
Net current assets		1,001,065		2,759,689	
Total assets less current liabilities		<u>1,379,554</u>		<u>3,185,062</u>	
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	<u>1,358,890</u>		<u>3,164,398</u>	
Total equity		<u>1,379,554</u>		<u>3,185,062</u>	

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 £1,633,008 (2019 - £419,938 loss).

The financial statements were approved by the board of directors and authorised for issue on 21/09/2021 and are signed on its behalf by:


.....
Mr P Thomas
Director

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019		1,100	19,564	3,732,548	3,753,212
Year ended 31 December 2019:					
Profit for the year		-	-	106,141	106,141
Other comprehensive income net of taxation:					
Currency translation differences		-	-	(19,635)	(19,635)
Total comprehensive income for the year		-	-	86,506	86,506
Dividends	10	-	-	(222,234)	(222,234)
Balance at 31 December 2019		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

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019		1,100	19,564	3,806,571	3,827,235
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	-	(419,939)	(419,939)
Dividends	10	-	-	(222,234)	(222,234)
Balance at 31 December 2019		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

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(32,269)	314,436	
Income taxes paid			(76,855)	(53,911)	
Net cash (outflow)/inflow from operating activities			(109,124)	260,525	
Investing activities					
Purchase of tangible fixed assets		(182,942)		(398,019)	
Repayments/ advances from other investments and loans		748,007		(748,007)	
Interest received		12,109		31,953	
Net cash generated from/(used in) investing activities			577,174	(1,114,073)	
Financing activities					
Dividends paid to equity shareholders		(172,500)		(222,234)	
Net cash used in financing activities			(172,500)	(222,234)	
Net increase/(decrease) in cash and cash equivalents			295,550	(1,075,782)	
Cash and cash equivalents at beginning of year			5,158,574	6,253,819	
Effect of foreign exchange rates			(59,985)	(19,463)	
Cash and cash equivalents at end of year			5,394,139	5,158,574	

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

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 £1,633,008 (2019 - £419,939 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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

In making this assessment, the directors have considered the impact of the Covid-19 outbreak on the global economy and the impact that this may have on the group. The directors have forecast up until 30 September 2022 and this shows that the group has adequate cash reserves to continue to operate.

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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

1 Accounting policies (Continued)

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.

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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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.

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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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 of 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:

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of lead generation software	24,154,137	24,311,641
	<u> </u>	<u> </u>
Other revenue		
Grants received	765,165	-
	<u> </u>	<u> </u>

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2020 £	2019 £
United Kingdom	11,552,906	11,530,383
Other European Countries	3,511,386	2,767,908
United States of America	7,830,089	8,812,276
Other Non-European Countries	1,259,756	1,201,074
	<u>24,154,137</u>	<u>24,311,641</u>

4 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administrative staff	160	153	153	146
Direct labour	297	312	232	237
Directors	2	2	2	2
Total	<u>459</u>	<u>467</u>	<u>387</u>	<u>385</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	18,463,495	17,224,133	13,014,006	11,480,096
Social security costs	1,377,030	1,200,604	1,377,030	1,195,866
Pension costs	199,157	183,500	199,157	183,111
	<u>20,039,682</u>	<u>18,608,237</u>	<u>14,590,193</u>	<u>12,859,073</u>

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	170,471	150,593
Company pension contributions to defined contribution schemes	1,428	17,960
	<u>171,899</u>	<u>168,553</u>

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

5 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

6 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,840)	20,168
Government grants	(765,165)	-
Depreciation of owned tangible fixed assets	288,674	280,859
Operating lease charges	762,130	660,544
	<u> </u>	<u> </u>

7 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	26,750	22,500
	<u> </u>	<u> </u>

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	12,109	31,953
	<u> </u>	<u> </u>

9 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	(321,972)	(59,398)
Foreign current tax on profits for the current period	118,274	126,495
Adjustments in foreign tax in respect of prior periods	2,042	-
	<u> </u>	<u> </u>
Total current tax	(201,656)	67,097
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(38,012)	(23,798)
Changes in tax rates	4,001	-
Adjustment in respect of prior periods	34,011	132
	<u> </u>	<u> </u>
Total deferred tax	-	(23,666)
	<u> </u>	<u> </u>
Total tax (credit)/charge	(201,656)	43,431
	<u> </u>	<u> </u>

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

9 Taxation (Continued)

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

	2020 £	2019 £
(Loss)/profit before taxation	(643,896)	149,572
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(122,340)	28,419
Tax effect of expenses that are not deductible in determining taxable profit	2,698	7,275
Tax effect of income not taxable in determining taxable profit	(157,365)	-
Adjustments in respect of prior years	(285,919)	(59,266)
Effect of change in corporation tax rate	4,001	-
Foreign exchange differences	-	2,505
Deferred tax not recognised	330,661	64,498
Effect of profits chargeable to foreign tax	394	-
Difference in international tax rates	26,214	-
Taxation (credit)/charge	(201,656)	43,431

10 Dividends

	2020 Per share	2019 Per share	2020 Total £	2019 Total £
Recognised as distributions to equity holders:	0	0		
A shares				
Final paid	0.71	1.09	47,500	72,234
B shares				
Final paid	2.84	3.41	125,000	150,000
Total dividends				
Final dividends paid			172,500	222,234

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

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

11 Tangible fixed assets

Group	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2020	796,941	1,074,456	1,871,397
Additions	9,029	173,913	182,942
Exchange adjustments	(7,821)	(5,248)	(13,069)
At 31 December 2020	798,149	1,243,121	2,041,270
Depreciation and impairment			
At 1 January 2020	450,977	848,636	1,299,613
Depreciation charged in the year	129,401	159,273	288,674
Exchange adjustments	(5,510)	(5,413)	(10,923)
At 31 December 2020	574,868	1,002,496	1,577,364
Carrying amount			
At 31 December 2020	223,281	240,625	463,906
At 31 December 2019	345,964	225,820	571,784
Company			
	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2020	553,847	911,311	1,465,158
Additions	35,322	161,426	196,748
At 31 December 2020	589,169	1,072,737	1,661,906
Depreciation and impairment			
At 1 January 2020	328,473	714,643	1,043,116
Depreciation charged in the year	102,950	140,682	243,632
At 31 December 2020	431,423	855,325	1,286,748
Carrying amount			
At 31 December 2020	157,746	217,412	375,158
At 31 December 2019	225,374	196,668	422,042

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	3,331	3,331

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 and 31 December 2020	3,331
Carrying amount	
At 31 December 2020	3,331
At 31 December 2019	3,331

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,481,970	1,303,142	1,207,058	871,040
Corporation tax recoverable	326,080	47,569	321,972	32,890
Amounts owed by group undertakings	-	-	4,485	-
Other debtors	1,986	748,684	-	748,007
Prepayments and accrued income	765,888	600,623	623,380	446,081
	<u>2,575,924</u>	<u>2,700,018</u>	<u>2,156,895</u>	<u>2,098,018</u>

During the year, the group wrote off £132,832 (2019 - £158,938) in relation to bad debts.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	274,099	199,948	252,830	192,673
Other taxation and social security	1,373,569	782,270	1,373,569	782,270
Other creditors	309,091	358,258	234,490	223,259
Accruals and deferred income	3,521,675	3,472,416	2,712,419	2,499,157
	<u>5,478,434</u>	<u>4,812,892</u>	<u>4,573,308</u>	<u>3,697,359</u>

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.

As at 31 December 2020 all options remained unexercised. The total number of options issued and in existence was 2,425. 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

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>199,157</u>	<u>183,500</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. As at the balance sheet date £52,827 (2019 - £42,992) was outstanding.

18 Share capital

	Group and Company			
	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital 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
	<u>110,000</u>	<u>110,000</u>	<u>1,100</u>	<u>1,100</u>

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.

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	471,329	834,384	119,133	488,603
Between one and five years	193,321	677,827	17,482	132,244
	<u>664,650</u>	<u>1,512,211</u>	<u>136,615</u>	<u>620,847</u>

21 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	Exchange rate movements £	31 December 2020 £
Cash at bank and in hand	5,158,574	295,550	(59,985)	5,394,139

22 Cash (absorbed by)/generated from group operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(442,240)	106,141
Adjustments for:		
Taxation (credited)/charged	(201,656)	43,431
Investment income	(12,109)	(31,953)
Depreciation and impairment of tangible fixed assets	288,674	280,859
Movements in working capital:		
Increase in debtors	(346,540)	(263,638)
Increase in creditors	681,602	179,596
Cash (absorbed by)/generated from operations	<u>(32,269)</u>	<u>314,436</u>

LEAD FORENSICS LIMITED AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Directors' transactions

Dividends totalling £172,500 (2019 - £222,234) were paid in the year in respect of shares held by the company's directors.

During the year, a director was given an advance of £nil (2019 - £748,007). During the year, he repaid £748,007 (2019 - £nil) leaving a balance at the year end owed by the director of £nil (2019 - £748,007). The maximum amount owed at any point during the year was £748,007 (2019 - £748,007).

No interest was charged on these advances.

24 Controlling party

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